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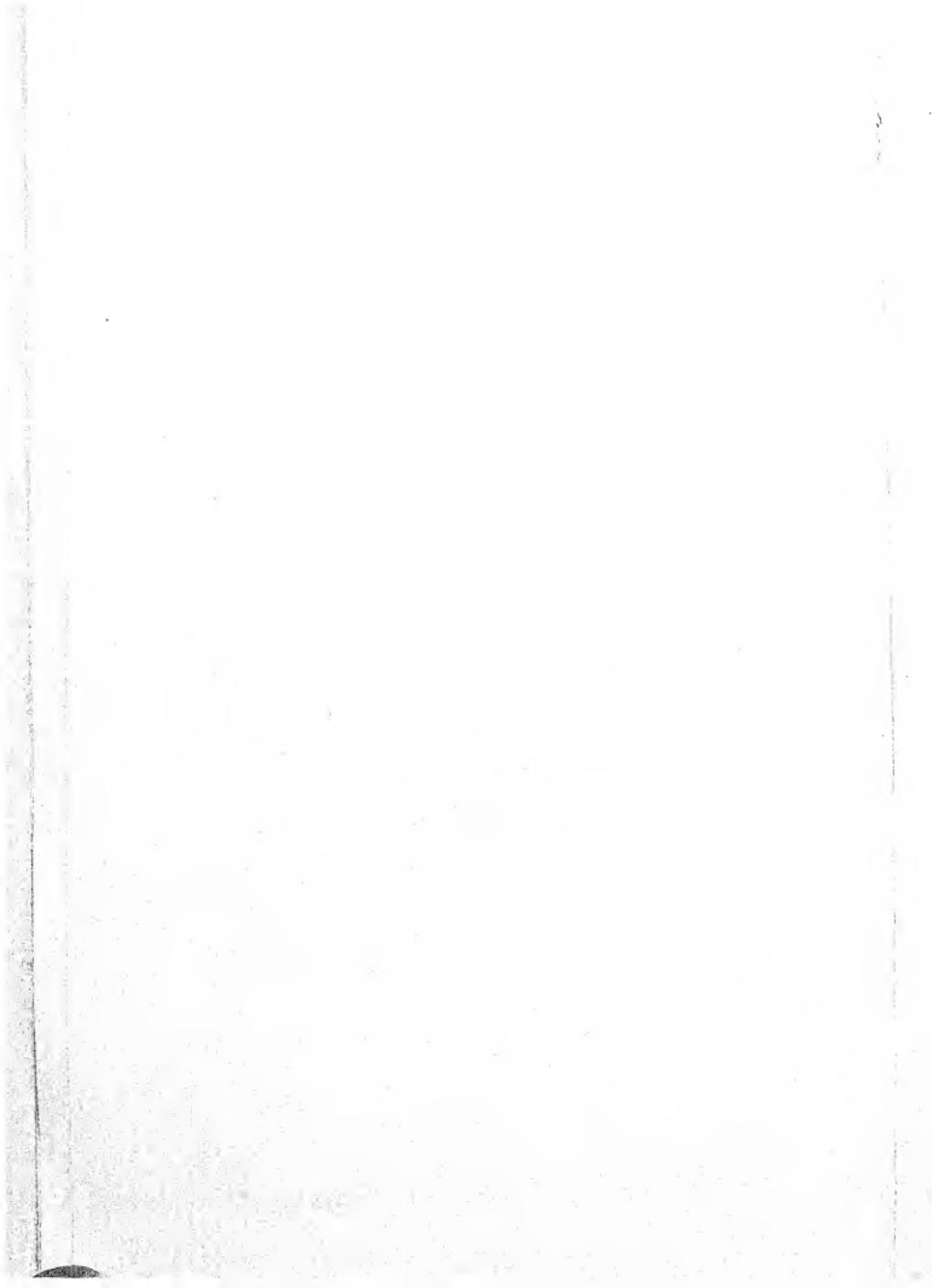
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# *The Urban Future— The Indian Context*

A.N. SACHITHANANDAN

THE LACK of urbanisation policy or the urban development strategy has been pointed out as the major cause for the various ills of many developing and less developed countries. But the question which still remains unanswered is whether the present policies of slowing down urbanisation or deceleration of urbanisation directly or indirectly has had any significant contribution to population distribution and settlement pattern. Unfortunately, urban development is conceptually treated as a vertical sector rather than as a horizontal slice that cuts across almost all sectors. This cleavage, some scholars feel, perhaps has been further deepened by the creation of a separate ministry for urban development. At one stage in India, there were demands from people from different walks of life for a strong lobby at the centre for urban causes. It has though culminated in the creation of separate ministry, the perpetual weakness of the sectoral bias nevertheless continues. The constitution of an urbanisation commission to work out a national policy, one hopes, may tend to divert this vertical approach. It is not to argue that there is no need for urbanisation policy *per se* but to emphasise the need for exploration of urbanisation impacts of medium term economic policies and long-term economic planning. In other words, an integration of national urban policy with aggregate economic planning is to be critically analysed. If this happens, then the spatial consequences of any policy change are more likely to be considered along with the anticipated direct policy impacts.

## CONCEPTUAL FRAME

In the past, the government has undertaken a number of discrete actions that have somewhat influenced the course of urban and regional development, but since those actions were not taken in an integrated

fashion with specific coordinated objective in mind, they fell short of a national urban policy. Such policy instruments typically include the following: redistribution of infrastructure investments away from primate and large cities; IRDP to boost rural and agriculture development, and the selection of limited number of locations for heavy concentration of investments. The impact of such policy mix on the geographical distribution of population and activity, however, has not been significant. Even though there is no proven research to say that declaration of urbanisation or a lower rural-urban migration rate would result in net social benefits, the policy makers use this mode as a lynchpin of national policy. Slower urbanisation would almost certainly impede economic growth because the urban-oriented sectors have higher value added per employee and higher productivity than the rural sectors. As this stage, the argument for the increasing welfare requires that slowing down urbanisation perhaps would raise income per capita and other indices of welfare in both urban and rural areas. Under such assumptions, it implies fewer rural-urban migrants.

#### NON-FARM AND WOMEN EMPLOYMENT

In the unlikely event of the desirability of slowing down urbanisation could be established, the next question of whether such goal is feasible. The rural areas by their extensive and excessive dependence need to have a structural transformation. The first of the inputs may be a stronger focus on measures to generate permanent productive employment in general and rural women in particular into the employment cycle. However, in reality there are many blind alleys down this path. If it is thought that the improvement in agriculture would mean reduced demand for labour rather than increase in it, the efforts should be to bring in more land under agriculture to meet the employment requirements. The other area in which employment creation would appear to be better in many circumstances is the off-farm employment.

In various programmes providing non-farm employment are in the form of rural public works share, such as construction of road, or strengthening the irrigation tank bunds and construction of small scale irrigation projects and houses. These programmes do not have long term impacts. Another option emphasises the need for promotion of small and cottage industries. Therefore, the chances of permanent absorption of workers who might otherwise migrate to urban areas may not be significant. However, in capital contained economics such programmes may be capital saving as the employment creation may be substantially less than the difference in absorption cost per household between rural and urban areas. Whereas the investment flow due to

agglomeration economies attract many establishments and industries to urban areas, if any tangible retardation and redistribution of employment opportunities, is to be achieved, a direct control on formal sector growth in metropolitan cities and core region should be exercised. Such approach has a much wider impact on the metropolitan economy because so many informal sector activities are linked, directly or indirectly, to the functioning of formal sector.

#### INTERMEDIATE CITIES

Alternatively, if a pragmatic choice is to be made for redirecting growth one should solicit high efficiency, low cost cities for growth promotion. The inherent weakness of this approach is that the choice of city is made only on the basis of their size. It, thus, ignores growth potentials which may be scattered amongst other class towns and settlements. While industries with strong agglomeration economies may continue to operate in the core with only moderate impedance to their growth why should the industries be avoided? The chances of the survival of the industries are more here than in a decentralised location. There is a need for re-examination of, and correction for, the implicit spatial policies that bias the development process in favour of urban areas in general and primate cities in particular. Such a policy may have its own justification whether in terms of macro economic or sectoral policy or because of political expediency and as spatial policy makers may lack the power to influence the micro-economic or sectoral policy makers. The attempt to pursue the target of capping the growth through a process of slowing down the rate of growth, or to moderate the process of rural to city migration by encouraging the development of small and medium towns are not new to our country. Researches have not yet explored the effects of such strategies. But there is very little evidence from the various departmental reports of the governments about the polarisation or reversal. If any success is to be achieved in decentralised location away from large cities the investments have to be so huge on the industrial land and its development alone and not to speak of housing and other urban facilities, in a resource constrained economy, the failure is imminent. The point in picture is the large number of small industrial estate established without much success in terms of survival and spread effects. Two points are significant under these circumstances. The first pertains to rate of growth of the large city. The rate of growth of population need not be a problem unless the growth rate is so high that it upsets the economic growth, public service provision, fiscal stability and implementation capacity. Therefore, the question is not whether the city is too big but rather how well the growth is managed. The second aspect reminds about the extent of

spatial diffusion and the concomitant investment required. It could imply intolerably high growth rates for smaller areas unless the aggregate urban population growth rate as a whole could be substantially reduced. The investment in small and medium towns (per town) as well as total outlay for such programme was in the order of 96 crore during Sixth Five Year Plan which is pittance to the mammoth problem. The rural development *per se* at best may improve the incomes of a select few leaving others to mend themselves through migration. The educational system is heavily depended upon so called knowledge building rather than skill oriented. It is, therefore, the weakest link in the chain. If productivity at grassroot is to be improved skill oriented education has to be advocated which will inculcate a dignity for labour in our youth.

#### GROWTH MANAGEMENT

These arguments, therefore, lead to a policy option of urban promotion policies which are city selective as the urban population increment is more or less given and it is difficult to trim *via* measures to slow down rural-urban migration. A possible policy prescription is to take action to promote other secondary cities that are almost as productive as the largest city but are significantly less costly in terms of capital development needed to accommodate future growth.

The selective approach to investment may take any of the two forms. Firstly it may be pre-selection or by self-selection. There is a danger that the pre-selection process invariably becomes top-down and it may not be sensitive to local issues and aspirations. The self-selection process on the other hand may lead to the growth of consultancy industry and be biased by the consultants capabilities. The urban development projects conceived under various funding agencies are heavily biased on equity considerations which require serious rethinking. Ultimately urbanisation and urban development strategies are not to be conceptualised by ideals and sentiments, it has to be based on rational analytical choice leading towards productivity consistent with human welfare.

'Accommodations' policies may slow down primate city population growth by diverting resources from economic infrastructure to social infrastructure, because there is no evidence that accelerating urban service provision to low income primate city residents in developing countries results in higher immigration. The accommodations strategy besides land tenure and slum upgradation should include employment component for poor adequately especially in informal sector activities. Unfortunately only lip sympathy is given to employment creation. Attempts in informal sector manufacturing in many cases are frustrated

by the zoning and other primitive controls. In this context, there is an urgent need to re-examine the zoning and other regulations pertaining to informal sector activities in our urban areas.

A radical rethinking about the reduction in standards of infrastructure which can be improved incrementally through an effective mechanism of public participation is necessary at this juncture. In addition, these efforts require to be supported by stronger fertility reduction strategies and a proper pattern of urbanisation, some one is drafted by the more increase in population in our country.

#### *Earlier Attempts to Restrict City Sizes Through Various Five Year Programmes*

In spite of such a potential policy instruments affecting city sizes till recently there is no comprehensive document that describes the government policies on city sizes. Policies are contained in laws, government reports and Five Year Plans. For example, in 1977 it was decided that industrial licenses would be denied in large metropolitan cities and the government took a major policy decision in December 1979 for the integrated development of small and medium towns. The guidelines said that "they would perform the role of services and market centres to rural hinterland in context of balanced development of the whole district and region". But it does silent about employment generation and productivity.

During the early years of the planning investment in government owned enterprises was tried to restrict the growth and rise of large cities besides aiming at a balanced economic development to reduce pressure on large urban agglomeration. Another instance where it has long been a national policy is to equalise among regions (1969-74). Fourth Plan specifically emphasises this the delivered prices especially of cement, steel and coal. This does not seem to have had any effect on city sizes *per se*. The encouragement of small scale industries is yet another tool employed by the government to promote development in small towns and rural areas away from the major cities. A large number of specific instruments is used in this programme; exemption from license requirements, exclusive reservation of specific products for the small scale sector concessionary finance, training programmes, technical and market assistance and industrial estate development. The essence of any growing enterprise is the entrepreneurship which cannot be taken for granted within the rigid framework of the bureaucratic system that dominates the government operation in our country. It is all the more pertinent in the case of small scale industries which have to have grossroot self-propelling voluntary leaderships rather than a top down thrust mechanism prevalent in the government system. The concept though laudable

could not achieve the desired results due to structural rigidities in the administrative system. The administrative and time costs are almost equivalent to a fourth of the investments which could be considerably brought down through formation of voluntary leadership groups.

The Industrial Estates, for instance were meant as a tool for disposal of industries into small towns and to keep away the industries from metropolitan towns. The more population size of metropolitan centres without reference to their stage of industrial growth has been the weakness of the scheme. Moreover, the small towns could not attract additional entrepreneurs into the 'formal' system since such small scale industries/factories were in operation with ease under informal conditions inside the towns themselves.

In the urban sector, the Third Five Year Plan (1961-66) gave direction to urban landuse controls through the preparation of master plans for cities and towns. Most plans have attempted to restrict the growth of manufacturing employment within their jurisdiction. The effect of such plan is the leapfrogging of industries to the outskirts of the urban settlements. The Sixth Plan stressed the need for rural development by increasing employment. One of the instruments used in this direction is specific disincentives to slow down the growth of metropolitan cities and at the same promote the growth of small and medium towns. The Seventh Plan ultimately stressed the need for equity and social justice and improvement in productivity and efficiency.

There is not much reason to believe that government programmes to reduce the size of our largest cities would significantly improve social efficiency or living standards. The argument in favour of such approach has been couched in terms of social efficiency and economic growth. Even assuming so, the various tools employed to achieve such social goals have not been borne out of a careful and systematic analysis. For example, it is said that jobs generated by industrial production pay higher wages and, therefore, it is claimed efforts should be made to locate manufacturing in small towns and rural areas and low income states and districts so as to raise incomes in such areas. Unless the required changes take place simultaneously in terms of trained man power, infrastructure and marketing and aspects of life the industry itself may not survive. At the same time one has to critically view whether restriction to curb the growth of large cities are an effective way to increase the incomes of poor people. Paradoxically large sums of money have been pumped in (not to say wasted) on efforts to locate industry where it cannot survive or develop. This sort of approach in essence will slow down the growth of industries which are desperately required. In short, policies that motivate location are much better than policies that mandate location.

## PROMOTION VS PROHIBITION

Policies that affect locational incentives are better for two reasons. Firstly, although mistakes are likely to entail wasted money, they are unlikely to curtail industrial growth if concessions are not taken up because they are not attractive or they are taken up because they are more than needed, than justifiable investments occur whether or not the programme has worked as well as it could have. Secondly, concession used to affect industrial locations, and it is possible to estimate how much investment was affected. But it is impossible to know how much investment is foregone because licenses are not given for location in large cities. Subsidisation of industrial growth in selected medium size cities might entail modest distribution of investment from large cities and might entail gains in social efficiency. Pollution congestion and other disamenities in large cities are in large quarring but they should be remedied by programmes to improve organisation of production and to reduce the disamenities.

## CONCLUSION

A variety of programmes have been adopted to limit the growth or reduce the size of the large cities. Most programmes focus on the location of new employment opportunities, especially in manufacturing. Some programmes are aimed directly at population disposal, others at both residential and production activities. There is much more government action to control the sizes of cities than serious economic analysis of the desirability and effects of such programmes while trying to impose certain curbs one has to appreciate the point that city sizes are not arbitrary or capricious and government should not try to alter them without carefully studying the problems/issues and alternatives. Another point to ponder about is that the fact that relative city sizes are presistent does not prove that they represent a socially efficient set of inputs and outputs. The reasons for attempting to alter sizes of cities and the range of alternative programmes available to do so should be studied carefully.

The strategy to emphasise system approach to national urban settlement distribution and hierarchy. The growth of four largest metropolitan cities of India will continue by sheer inertia in spite of whatever measures are directed to retard their growth. Therefore, it is time that necessary attention is paid to the reality and resources allocated for proper management of these metropolitan centres. The metropolitan centres in the range of five to ten lakh which are likely to reach million marks have to be given priority allocation so that the expansions at least take

place in a planned manner. The land-man ratio which is 0.48 hect in 1981 will be fastly getting reduced. At the same time the need for infrastructure facilities and developed lands in human settlements will be increasing in geometric proportions. It does not, however, mean that we plead specially for extra public funds for urban sector. In such a case, the emphasis will be on improving municipal efficiency alleviation of urban poverty and more attention to the operation and maintenance of existing assets. The next area of concentration will be directed towards land policy issues. Such a policy will clarify the policy choices facing governments concerning the use, development, distribution, transfer, tenure of land in cities, towns and urban fringe areas. The land banks which can be established can help in pooling of the land without acquiring the land. In built up urban area, the techniques of land reconstitution through local participation can be encouraged. Similarly the conservation of heritage coast and building of archaeological and architectural importance which are now being indiscriminately pulled down for higher economic use can be conserved by allowing air right transfer. By this method the designated building which is to be conserv-ed (especially, under private ownership) may be permitted to sell the additional floor space to which it is due as per the present rules to the adjoining properties.

The urban development projects funded by the World Bank which are quite popular in Madars is now being extended to other major cities. The projects concentrate on transport, shelter and infrastructure. Theoretically it is assumed that the industrial development and employment generation would automatically take place. But experience has shown it is not in the early years of independence. Steel cities and project towns were located in the resource region assuming that the region will get develop simultaneously. Unfortunately the trickle down affect did not take place, because the state and sub-regional plans were not conceived and dovetailed with this investment. Therefore, there is an urgent need to redefine the urban development projects, so that they form part of the total urban system. Otherwise, they will remain as palliatives and not solutions to some urban problems.

The Master Plans, which are prepared by the urban planning departments are no more than paper plans as they are more rigid and less practical. The approach to flexible structuring of the urban areas and disaggregation up the master plan into series of projects is required if anything tangible is to be achieved. In addition the private efforts must as far as possible be encouraged. The non-government organisations are to be utilised in bringing about awareness especially in the urban poor. The increasing role of women in urban employment requires the shelter provision for them in the form of working women hostel, which is a

neglected area in urban policy. The most promising direction of policy intervention is to achieve a much closer integration between urban development policy and development planning in general and give less emphasis to independently conceived spatial or economic policy. In this context, it is needless to say that an information system for Human Settlements Planning is to be set up at the state level. □

# *Are the Urban Managers Retired? The Urban Manager Model and its Relevance for Third World Social Science*

PETER NIENSTIED

IN URBAN social science, the question 'who gets what' has been approached from different sides. The 'access model' is well known in Third World social science.<sup>1</sup> Its basic point, access, points out a subject—bureaucracy relationship. Another entry point of studying the question of 'who gets what' in urban areas, is the bureaucrat who is in a position to allocate scarce resources. Rather than access and a public to bureaucracy relation, the point of departure is distribution and bureaucracy to public relationship. In a wider socio-spatial framework, it has been proposed to study these bureaucrats, or, as they are named, urban managers.

The label of urban managerialism has been given to the approach of the study of the social and spatial structures of cities, in terms of the patterns of differing constraints upon individuals and groups in different localities and situations. It was suggested to lay stress on the managers of the urban system, who were considered to have an independent influence on the allocation of urban resources.<sup>2</sup> These managers could be seen as gatekeepers, who had, through rules and procedures of allocation, control over access to urban facilities and amenities.

In this article, firstly, some precessory work is briefly introduced before the urban manager model is dealt with. Then critiques of the initial and revised version of the concept are reviewed. The possible relevance of the concept for urban social sciences of the Third World is discussed in the two last sections of this study.

<sup>1</sup>B. Scaffer and W.H. Huang, "Distribution and Theory of Access", *Development and Change*, Vol 6, No. 2, 1975, pp. 13-36.

<sup>2</sup>R. Pahl, "Managers, Technical Experts and the State: Forms of Mediation, Manipulation and Dominance in Urban and Regional Development", in M. Harole (ed.), *Captive Cities*, Wiley, Chichester, 1977, pp. 49-60.

## MANAGERIALISM INTRODUCED

Rex and Moore's study of housing and race is generally considered to be the starting point, and Weberian urban sociology as theoretical foundation of the managerialist approach.<sup>3</sup> For Weber, a concept like 'class' is not only dependent upon economic, but also upon social and political relations. "We are thus dealing with three analytical distinct ways of controlling resources: political power, economic wealth and social prestige".<sup>4</sup> Rex and Moore emphasized the point that men in the same labour market may have different degrees of access to housing. They suggested that the different positions groups had with respect to the system of bureaucratic allocation could be a basis for the distinction of classes. Rex and Moore discussed the struggle over houses by the various classes (housing classes), and this class struggle was understood to be the central process of the city as a social unit.<sup>5</sup> Thus, the structure of housing classes was in terms of economic forces and bureaucratic-political factors.

Rex and Moore's concept of class as defined in relation to property ownership, access to housing and tenure situation evoked critique from both marxist and non-marxist authors. Marxists stress their own class definition: class formation is linked to extraction of surplus value in the process of production, and cannot arise merely from relations to housing.<sup>6</sup> Non-marxists criticised the housing class concept as well. Pahl suggested that perhaps 'quasi-group' was a better term than class.<sup>7</sup> He argued that "Clearly men may be paid the same wage for doing the same work in different parts of the country but their life chances will vary according to the proportion of their income they have to spend on housing...". Another of the many criticisms was the remark that the existence of differences of ownership and market interests does not automatically lead to specific forms of class consciousness, and Rex and Moore's conceptualization does not provide a satisfactory method for

<sup>3</sup>J. Rex and R. Moore, *Race, Community and Conflict*, London, Oxford University Press, 1967; see also P. Dunleavy, *Urban Political Analysis: The Politics of Collective Consumption*, London, MacMillan, 1980; B. Badcock, *Unfairly Structured Cities*, London, Basil Blackwell, 1984; S. Leonard, "Urban Managerialism: A Period of Transition?", *Progress in Human Geography*, Vol. V, No. 2, 1982, pp. 190-215; R. Batley, *Power Through Bureaucracy*, *Urban Political Analysis in Brazil*, Gower, Aldershot, 1983; and P. Saunders, *Social Theory and the Urban Question*, London, Hutchinson, 1981.

<sup>4</sup>R. Pahl, *Whose City*, Penguin, Hammondsworth, 1970, pp. 32-33.

<sup>5</sup>J. Rex and R. Moore, *op. cit.*, p. 273.

<sup>6</sup>K. Bassett and J. Short, *Housing and Residential Structure, Alternative Approaches*, London, Routledge and Kegan Paul, 1980.

<sup>7</sup>R. Pahl, *Whose City*, *op. cit.*, pp. 192-93.

understanding the theoretical development of housing situations.<sup>8</sup>

Whatever the arguments against his work, Rex's main areas for study received wide acknowledgement. Rex writings stress the relevance of housing as an important field of study, and also the "spatial dimension of inequality"<sup>9</sup> and the distributive system of resources and facilities that influence the spatial structure of the city.<sup>10</sup> This latter issue was taken up by Pahl.

Thinking over a redefinition of the field of urban sociology, Pahl<sup>11</sup> proposes to concentrate on the distribution of resources and facilities in the city. As main propositions are put:

- (a) There are fundamental *spatial* constraints on access to scarce urban resources and facilities. Such constraints are generally expressed in time/cost distances.
- (b) There are fundamental *social* constraints on access to scarce resources. These reflect the distribution of power in society and are illustrated by bureaucratic rules and procedures, social gatekeepers who help to distribute and control urban resources.
- (c) Populations in different localities differ in their access and opportunities to gain the scarce resources and facilities, holding their economic position or their position in the occupational structure constant. The situation which is structured out of (a) and (b) may be called socio-spatial or socio-ecological system. Populations limited in their access to scarce urban resources and facilities are the *dependent* variables; those controlling access, the *managers* of the system, would be the independent variable.
- (d) Conflict in the urban system is inevitable. The more the resource or facility is valuated by the *total* population in a given locality, or the higher the value and the scarcer the supply in relation to demand, the greater the conflict.<sup>12</sup>

Thus, the basic framework for urban sociology,<sup>13</sup> Pahl concludes, is the pattern of constraints which differentially operates in given localities. Conflict, then, arises from situations of different types and nature of access to facilities and resources.

Having outlined this basic framework, Pahl pursues by discussing the intervention by 'the community' in the distributive processes. The type

<sup>8</sup>S. Leonard, *op. cit.*, p. 191.

<sup>9</sup>R. Pahl, *op. cit.*, p. 193.

<sup>10</sup>P. Saunders, *op. cit.*, 1981, p. 115.

<sup>11</sup>R. Pahl, *op. cit.*, ch. 13.

<sup>12</sup>*Ibid.*, p. 215.

<sup>13</sup>*Ibid.*

and nature of intervention into the market, (e.g., positive discrimination in favour of those disadvantaged by society) will depend upon factors that include: "(a) The political history of the area; (b) the present distribution of political, social and economic power; (c) the values and ideologies of local technocrats; and (d) awareness of relative deprivation in respect of other localities".<sup>14</sup>

In this process of intervention, the 'crucial' urban types are those who control or manipulate scarce resources and facilities. The controllers "impose their goals and values on the lower participants in the urban system".<sup>15</sup> Pahl not only emphasized the different rates of access to scarce resources, but also the determinants of the moral and political values of those who control these rates. Ultimately, the managers of the urban system are taken as the independent variable.

The managerial approach of Pahl's 'early' essays (he modified his position later, as will be discussed below) has been criticised for two main weaknesses.<sup>16</sup> First, there was a problem of definition. It was unclear who the urban managers are, how they had to be defined and how their—relative—power had to be assessed: "Identification of urban managers was largely descriptive rather than analytical".<sup>17</sup> Should urban managerialism be concerned with government officials only (Pahl also pointed out 'crucial types' in the private sector), and at which levels? Should they be only mediators, or should managerialism "encompass a whole range of actors in both public and private enterprises who appear to act as controllers of resources sought by urban populations"?<sup>18</sup> Another difficulty was the definition of the 'urban': the theory cannot define the 'urban field' thus, it makes the theory hardly an urban one.<sup>19</sup>

The second point of Pahl's propositions that evoked critical questions was the independence of the urban manager. Urban managers, it was claimed, act as independent variables of analysis. One sentence in Pahl's 1970 essay recapitulates his stand: "... a truly urban sociology should be concerned with the social and spatial constraints on access to urban resources and facilities as dependent variables, and the managers or controllers of the urban system, which I take as the independent

<sup>14</sup>R. Pahl, *op. cit.*, p. 213.

<sup>15</sup>*Ibid.*, p. 221.

<sup>16</sup>M. Harole, "Introduction", in Harole (ed.), *Captive City*, *op. cit.*; see also P. Saunders, 1981; P. Williams, "Urban Managerialism: A Concept of Relevance?", *Area*, Vol. 10, No. 3, 1978, pp. 236-40 and S. Leonard, *op. cit.*

<sup>17</sup>P. Saunders, "Community Power, Urban Managerialism and the Local State" in Harole (ed.), 1981, p. 33.

<sup>18</sup>P. Williams, *op. cit.*, p. 239.

<sup>19</sup>P. Dunleavy, *op. cit.*, MacMillan, 1980, p. 42,

variable".<sup>20</sup> This formulation has been conceived as autonomy of the managers; it was argued that Pahl's managers were autonomous actors with regard to their wider context.<sup>21</sup> Pahl stressed that managers were constrained by the "operation of spatial logic". Empirical research, however, showed that the constraining context was much broader.<sup>22</sup> "Urban managers in the public at least were restricted in their actions by the operation of the market processes in the private sector (for example, land for public housing has to be purchased at current market prices,...) and by the organizational structure in which they were located."<sup>23</sup>

This independence of the urban managers also received criticism from marxist side. It was argued against Pahl's formulation of managers independently allocating scarce resources, that basic issue of scarcity is taken for granted, and that urban problems are interpretable in terms of managerial inefficiency or bureaucratic insensitivity.<sup>24</sup>

#### NAMERIALISM REVISED

In 1975, five years after the publication of his earlier essays on urban sociology, Pahl argued in a reconsideration of urban managerialism, that although a focus on urban managers and gatekeepers (the urban managers as a concept was limited by Pahl to officials of local government) and their goals and ideologies is useful as research strategy, "...such an approach lacks both practically policy implications and theoretical substance".<sup>25</sup>

Practically, Pahl argues, the managers are not only the gatekeepers but often due to practical circumstances (lack of enough money, lack of awareness) they are unable to positively discriminate the disadvantaged. And sometime they are carrying out basically inequitable government policies "often with reluctance, and knowing that this is against their own value".<sup>26</sup> With the lack of *theoretical substance* Pahl wants to say that the focus on managers is useful, but limited, since it directs research to the official and local population rather than to the national govern-

<sup>20</sup>R. Pahl, *op. cit.*, p. 224.

<sup>21</sup>From Pahl's theoretical formulation not a necessary logic, since "taking the managers as the independent variable" is not the same as claiming that "managers act autonomously".

<sup>22</sup>J. Lambert et. al., *Housing Policy and the State: Allocation, Access and Control* MacMillan, 1978; P. Williams, *Urban Managerialism: A Concept of Relevance*, *Area*, Vol. 10, No. 3, 1978, pp. 236-40.

<sup>23</sup>P. Saunders, *Social Theory and the Urban Question* *op. cit.*, p. 121.

<sup>24</sup>K. Basse and J. Short, *Housing and Residential Structure, Alternative Approaches*, London, Routledge and Kegan Paul, 1980, p. 173.

<sup>25</sup>R. Pahl, "Urban Managerialism Reconsidered" in C. Paris, *Critical Readings in Planning Theory*, Pergamon, Oxford, p. 47.

<sup>26</sup>*Ibid.*, p. 28.

ment. Research on the urban managers suggested understanding of an independent variable in an urban system (it involved control of same urban resources in different localities). But, Pahl reconsidered, it ignores the constraints of capitalism. Thinking over the state in Britain, Pahl then proposes to adopt a broader ('holistic') position to act as a framework for the urban managers, who do remain central to the urban problematic.<sup>27</sup>

As alternative to the "pure managerialist model", which assumes that control of access to local resources and facilities is held by the professionals of the authority concerned, three other ideal types were put forth.<sup>28</sup> The 'statist model' assumes that control over local resources and facilities is primarily a matter for the national government, and local managers have no more than marginal room for manoeuvre. The "control by capitalist model" assumes that, at either national or local levels, resources are allocated primarily to service the interests of private capitalists (e.g., resources may be taken to be the reproduction of a "docile, well-trained and healthy labour force").<sup>29</sup> The 'pluralist model' assumes a permanent tension between national bureaucracies, committed to obtaining and distributing larger resources, and the interests of private capital manifested through the economic pressures of 'the city', private industry and the political party representing dominant classes.

Pahl elaborates on this last model for the case of Britain, and places the urban managers in relation to the so-called corporate sector.<sup>30</sup> For our focus on the relevance of the manager model for situations in the Third World, this development of Pahl's work is less to the purpose; it seems more pertinent to get into some more details of the urban managers in general.

Urban managers, in Pahl's revised formulation, remain central to the urban problematic. However, they are not independent—autonomous—actors any more, but they are operating in a broad context of political and economic constraints. Put in another way<sup>31</sup>, the actions of the allocators of resources are limited by the operation of an inequitable spatial logic within the urban system (time/cost—distance)—inevitable territorial inequalities, by the power of the centralized state interventionist and by the private sector. But, unlike Marxist theory where directly or indirectly in the last instance economic relations determine social and

<sup>27</sup>R. Pahl, *op. cit.*, p. 65.

<sup>28</sup>*Ibid.*, pp. 53-58.

<sup>29</sup>*Ibid.*

<sup>30</sup>R. Pahl, "Managers, Technical Experts and the States: Forms of Mediation, Manipulation and Dominance in Urban and Regional Development" in Horole (ed.), *op. cit.*; see also Pahl, "Socio-spatial Factors in Resource Allocation" in D. Herbert and D. Smith (eds.), *Social Problems and the City*, Oxford, Oxford University Press, 1979, pp. 33-46

<sup>31</sup>P. Saunders, *Social Theory and the Urban Question*, *op. cit.*, p. 128.

political relations, the three factors above do not determine the pattern of resources distribution, but "all three together constitute the system of constraints within which the actions of urban managers must be studied and understood".<sup>32</sup>

This perspective on managers in a context of constraints attracted two types of criticism. Firstly, Marxists argue that by concentrating on managers and distribution of scarce resources, the origins of the existing distribution of power are ignored, the concept of scarcity remains unquestioned, and the constraints on any redistribution are neglected.<sup>33</sup> This critique is basically the same as the reaction on the initial version of Pahl's model.

A second type of critique comes from amongst others Saunders.<sup>34</sup> He argues that, after Pahl's reformulation, urban managers became intervening variables instead of independent variables. "While he (Pahl, PN) identifies the nature of constraints on urban managers—namely, ecological factors, the dependency on the private sector and central-local relations—he fails to theorise the situations in which these constraints may become paramount and to distinguish this from those situations in which managers may enjoy discretion in the use of their power."<sup>35</sup> Thus, Pahl cannot theorise the degree of autonomy or constraints under which the managers have to act.

At this point it may be put forth that this is in essence an empirical question. This is what in fact Williams<sup>36</sup> does, who while acknowledging the pertinence of the critique, pleads to adopt managerialism as a framework for urban studies. He states that it provides a useful way of penetrating into the complex of relationships that structure urban areas: the allocation process can be exposed and reasons for this can be pursued. The role of the local state in relation to the economic system is viewed as an empirical subject for study, more or less complementary to the managerialist approach. About the problem that managerialism often leads to local studies and a degree of local control, Williams states "...one problem is to relate these aspects to the wider context. Again this is something for research to reveal."<sup>37</sup>

Against this empirically oriented stance it can be argued that, the danger of concentrating on the lower public officials reappears, and that beyond the level of contact between distributors—managers and individual consumers of resources "empirical objectives becomes exceedingly difficult to attain and theoretical limitations restrict the useful-

<sup>32</sup>P. Saunders, *Social Theory and the Urban Question*, op. cit.

<sup>33</sup>S. Leonard, op. cit.

<sup>34</sup>P. Saunders, *Social Theory and the Urban Question*, op. cit., and "Community Power, Urban Managerialism and the Local State" in Harole (ed.) op. cit.,

<sup>35</sup>P. Saunders, "Community Power, Urban Managerialism and the Local State", in Harole (ed.), op. cit., p. 33.

<sup>36</sup>P. Williams, op. cit., 1978.

<sup>37</sup>Ibid., p. 239.

ness of this analytical framework".<sup>38</sup> Saunders argues that using the revised managerial thesis, as Williams proposes, is starting out merely on the assumption that managers are to some extent constrained. The problem will be that there is a lack of "...theoretically informed criteria for determining where in the economic and political organization of society to begin looking for the explanation of any given policy".<sup>39</sup>

Finally, Lambert *et. al.* give powerful arguments against the urban managers approach seq.<sup>40</sup> They state that "... what needs to be avoided is the study of managers as some kind of autonomous group whose effects are to be measured in relation to their claims. Instead the subject matter of urban managerialism and its characteristic supporting beliefs and world views—planner's ideology—should be studied to demonstrate the real interests and purposes of state action. Since the state, both central and local, can act either to reinforce or change existing patterns of resource distribution and since policies and practices of an urban administration do produce differential effects on various groups, evidence for the state's interests and methods of control can be ascertained".

#### THE NEW RELEVANCE?

When the round of critiques of Pahl's revised managerialist thesis is summarized, it may be concluded that Pahl's model is rejected because it lacks theoretical coherence, and concentrates study of allocation process on particular actors. Some theoretical developments have taken place in the field since. With a brief review of the arguments of Leonard, Williams and Batley this part of the article is concluded.

Leonard<sup>41</sup> has tried to demonstrate that Pahl's<sup>42</sup> essay tried to link his weberian manager model with Poulantzas's marxist position.

What Poulantzas calls "the social categories of the state apparatus" and I call "managers of the urban system" will have different styles and ideologies depending on whether they identify strongly with a central authority dominating the periphery or whether, alternatively, they have a degree of local autonomy and struggle to support local interests against those of the centre. One marxist position appears to be that the "state is not a mere tool or instrument of the dominant classes" and this independence is reflected in the allocation of resources on the ground.

<sup>38</sup>S. Leonard, *op. cit.*, p. 88; R. Pahl, *op. cit.*, 1979.

<sup>39</sup>P. Saunders, *Social Theory and the Urban Question*, *op. cit.*, p. 134.

<sup>40</sup>J. Lambert *et. al.*, *op. cit.*, 1978, p. 12.

<sup>41</sup>S. Leonard, *op. cit.*, 1982, p. 204.

<sup>42</sup>R. Pahl, "Managers, Technical Experts and the State: Forms of Mediation, Manipulation and Dominance in Urban and Regional Development", in Harole (ed.), *op. cit.*, pp. 49-60.

Leonard comments:<sup>43</sup>

Pahl, therefore, relates Poulantzas's statements as to the relative autonomy of the state directly to the 'crucial mediating role' of the urban managers. Pahl is at this point, or so it seems, seeking to make apparent points of convergence between his Weberian and other marxist positions, yet at the same time striving to discredit the 'simplistic' formulations of the marxist analysis and promote his extended managerialist thesis. This simplistic linking of Marx and Weber, although raising interesting questions, is difficult to sustain.

In my opinion Leonard misinterprets Pahl. In a later essay Pahl exemplified his position as follows:

Those who follow one strand of Marxian thinking would argue that in the last instance economic relations determine social and political relationships. Those, like myself, who see these connections to be important but not necessarily overwhelming, take a more pragmatic stance and are willing to be convinced by empirical evidence. The relationships between the political ('the state') and the economic (industrial and financial capital) is open to discussion and debate and different types of Marxists have different types of views about the importance of the State and the theoretical concepts that are most appropriate to handle. However, one view that is common to Marxists and non-Marxists alike is that all societies, with the possible exception of certain hunting and gathering societies, must concentrate power.

Pointing out a common concern of Marxists and non-Marxists, as Pahl does, is different from linking Marx and Weber, what Leonard claims Pahl wanted. Commensurability of different epistemologies, and using marxist and non-marxist models in conjunction, receives a good deal of attention at the moment.<sup>44</sup> But Leonard's analysis has little to add to this discussion.

In a proposal for the study of urban geography Williams (1982) tries to link Marxist political economy with urban managerialism.<sup>45</sup>

If one accepts the basic tenets of a Marxist analysis, that is, the central role of the accumulation process and the fundamental conflict between capital and labour, it is still necessary to specify in detail how central

<sup>43</sup>S. Leonard, *op. cit.*, p. 204.

<sup>44</sup>C. Fickvance, "Competing Paradigms in Urban Sociology: Some Epistemological Issues", *Comparative Urban Research*, Vol. 6, No 2, 1978, pp 20-27.

<sup>45</sup>P. Williams, "Restructuring Urban Managerialism: Towards a Political Economy of Allocation", *Environment and Planning*, Vol. 14, No. 1, 1982, pp. 95-105.

processes are articulated throughout society and express themselves in the functioning of, for example, organizations. ". . . it is argued that the most fruitful way to proceed at the present is through the use of "a critical adaptation of basic Marxian categories and propositions".

Williams concludes that Marxist analysis of the urban is "oversimplified and highly functional"<sup>46</sup> and suggests that through a political economy of organisations an integration and reorientation of "the question of institutions and agencies in the urban realms and their places within current conceptual frameworks" can be achieved.<sup>47</sup> An interesting issue is raised by Williams, but he does not elucidate what constitutes the role of urban managers in this approach. A second point is that he does not pay attention to differences of scientific methods of Marxism and managerialism.<sup>48</sup> A third, minor point is that he does not spell out what makes this approach 'urban geography'.

Though, it can be concluded that Williams's is a not so well argued proposal, and can also be viewed as a—rather fashionable—proposal for a marriage of marxist and non-marxist urban theoretical models in general. In view of these points, Williams' article deserved to be mentioned.

Bately offers a much clearer account of the theoretical roles of urban managers, organizational analysis and class relations and state formations.<sup>49</sup> He emphasizes the political significance of state administration and organisational analysis. In this work, the role of the study of urban managers is confined to an empirical entry point: when managers are "social actors who had the power to impose their goals and values on the lower participants in the urban system"<sup>50</sup> the "question then arises—what are the factors which underlie officials' definitions, solutions and means? To what interests are they responsive in decisions about constituting policies, about distribution and about the maintenance and evaluation of programmes?"<sup>51</sup> Unlike Pahl and Williams, Bately offers a theorized point of departure: "A conception of state administration as structured to reflect interests is the basis of the case for using organisational analysis as a beginning point for tracing back to the wider origin of policy, provided that such tracing back is guided by some previous

<sup>46</sup>P. Williams, *op. cit.*, p. 103.

<sup>47</sup>P. Williams (1982) thus changed and broadened his earlier view (1978). See Ham and Hill (1984) for an informative account of organisational analysis.

<sup>48</sup>M. Harole, *op. cit.*, 1977.

<sup>49</sup>R. Bately, *Power Through Bureaucracy, Urban Political Analysis in Brazil*, Gower, Aldershot, 1983.

<sup>50</sup>*Ibid.*, p. 207.

<sup>51</sup>*Ibid.*, pp. 180-81.

conception of the social structure within which administrative organisations and their public are located.”<sup>52</sup>

This position has at an empirical level points of contact with the theoretical notions about access to bureaucracies than with the urban managers. The focus on urban managers is in Batley's approach an empirical tool, and little theoretical value is ascribed to the concept in a narrow sense.

#### THE CASE OF THE THIRD WORLD: A THEORY-PRACTICE PARADOX?

The perspective of urban managerialism has hardly been employed in a Third World context. When the label 'urban manager' is used, it is mostly within an organizational or institutional framework.<sup>53</sup>

From the discussion in the earlier sections it can be concluded that Pahl's formulation for the study of social and spatial structures in cities has been reduced to a manager model, and that at a theoretical level no satisfactory argument could be adduced in support of this stand. Yet, the proposal received a lot of scholarly attention, perhaps because despite the acknowledgement of weak theoretical foundations, it was considered to be an interesting point.<sup>54</sup>

Would Pahl's revised version of the urban manager model have been introduced in Third World urban social sciences, it would perhaps have received a more sympathetic critique. Contrary to Western Europe, Third World situations render more plausibility to the 'discretion' or 'power' of certain individuals in the state apparatus. Especially in bureaucratic-authoritarian structures, where a lack of accountability and control characterize the state apparatus, basic decisions affecting individuals' life chances are taken by lower and higher placed officials. This has been demonstrated by those who studied 'access and bureaucracy'. When for example corruption in Western Europe mostly affects the community as a whole (through the exchequer), in the Third World also individuals are directly affected.<sup>55</sup> In this connection, a wealth of material is available to support this point.<sup>56</sup> Thus, at an empirical level, crucial types can be discerned, whose influence can favour and disadvantage groups and individuals.

<sup>52</sup>R. Batley, *op. cit.*, p. 182.

<sup>53</sup>Abhijit Datta (ed.), *Municipal and Urban India*, New Delhi, IIPA, 1980.

<sup>54</sup>See Pickvance's (1978) account of Davies' (1971) essay on what determines which field of social science get attention, namely "that what is interesting".

<sup>55</sup>It must be emphasized that discretion of 'urban managers' in the Third World is not always used for personal or group benefit. Managers may for example also display a positive attitude towards underprivileged groups.

<sup>56</sup>D. Gould and J. Amaro-Reyes, *The Effects of Corruption on Administrative Performance, Illustrations for Developing Countries*, World Bank Staff Working Paper 580, World Bank, Washington, 1983.

With this last remark we have arrived at, what we labelled, as theory-practice paradox. Something can be observed in an empirical investigation, but it cannot be linked accounted for by a theoretical model.

For the case of the Third World, at a theoretical level it can be thought of two possible routes to investigate whether this gap between theory and practice can be tackled. The first corresponds to the basic premises of Pahl's revised formulation. What proved to be impossible in the case of western urban social sciences may be possible in the case of the Third World. Namely, to look for theoretical information on the conditions that constrain managers. This would be bound to happen at a country, or perhaps region level, because the structures of state apparatus of different countries vary greatly. Such a theoretical analysis will have to pay much attention to the genesis of the state apparatus. A second theoretical point of departure could be to elaborate on theoretical notion like the bureaucratic-authoritarianism model,<sup>57</sup> or the bureaucratic polity model.<sup>58</sup> In these cases it may perhaps be explained how bureaucrats have acquired a certain power, but why so, and the amount of discretion, are questions which are not easily answered.

It remains to be seen whether the problem of "individual managers versus the structure of the state apparatus" can be logically solved at a theoretical level. Leaving aside the methodological issues (the individual versus structure issue has a long history in sociology), in this connection two comments can be submitted. In the first place, when managers enjoy discretion (or room of manouvre) isn't the structure allowing them this discretion a more important matter of contention? Secondly, can this discretion itself, or individuals' power, be the focus or the entry point of theoretical discourse? Or should it be, as Batley<sup>59</sup> seems to suggest, an empirical tool? Given the wide gap between abstract political models and empirical practice, a non-empirical approach of the managers' discretion could signify a (much wanted) middle range theoretical notion, but in the current state of art it is perhaps bound to be an empirical entry point.

#### CONCLUSION

In the penultimate section it has been tried to give an impression of the theory-practice paradox of the urban manager in the Third World.

<sup>57</sup>G. O'Donnell, *Modernisation and Bureaucratic Authoritarianism*, Institute of International Studies, University of California, Politics of Modernisation Series 9, 1973; D. Collier (ed.), *The New Authoritarianism in Latin America*, Princeton, Princeton University Press, 1979; R. Bately, *op. cit.*, 1983.

<sup>58</sup>J. Girling, *The Bureaucratic Polity in Modernizing Societies*, Institute of Southeast Asian Studies, ISEAS Occasional Paper 64, Singapore, 1981.

<sup>59</sup>R. Bately, *op. cit.*

It was argued that, Pahl's revised formulation of the manager thesis has an appealing relevance for Third World urban practice, but that at a theoretical point important questions begged for an answer before a satisfactory link could be laid between theory and practice.

By way of concluding comment, two additional points are raised that were disregarded in section 4. To consider its relevance for the Third World situation, Pahl's revised formulation of the 'manager model' was taken up. However, critique of Pahl's initial proposal has never been solved, namely, the matter of definition. Is the manager theory an urban one? For the case of the Third World strong arguments can support a theoretical difference between town and region.<sup>60</sup> But, when urban managers can be discerned, there must be rural or regional managers as well. Not only in towns resources are allocated by bureaucrats. It can also be advocated that managers can be found at higher tiers of government. In an extreme case this could lead to conceiving the 'state apparatus' as a hierarchy of managers. A second, related, point concerning definition is the question who urban managers are: "Crucial urban types" said Pahl. In situations of extreme poverty where people cannot rely on the market and are dependent on the government,<sup>61</sup> even the lowest clerk can signify a crucial agent.<sup>62</sup> Also, because of the interlinks between for example (petty) power brokers and bureaucrats (at all levels) it will be arduous to restrict a definition of managers to actors in the state apparatus. □

<sup>60</sup>P. Nientied, *Practice and Theory of Urban Policy, Low-income Housing in Pakistan*, forthcoming).

<sup>61</sup>R. Batley, *op. cit.*

<sup>62</sup>V. Kampagam, *Coping with Urban Poverty in India*, 1985.

# *Urban Rural Relations in the Context of the Democratic Transition in Nigeria\**

TADE AKIN AINA

THE CURRENT attempts at organizing a transition to civilian democratic rule in Nigeria, reopen certain fundamental questions for the viability and genuineness of both the process and its end-product.<sup>1</sup> This is because government and politics as has been conceived of, and practised in recent Nigerian history has been mainly mere formality, elitist and sectionalist both in socio-cultural and spatial terms. By this we mean, in terms of the relationship within and between classes and social strata, subnational and ethnic groups, and the urban and rural sectors.<sup>2</sup>

The limitation of 'democracy' as has been practised and institutionalized in Nigerian political history, therefore, poses significant problems which need to be clarified and rectified if the transition programme set into motion by the current military regime is to be meaningful, relevant and effective in institutionalizing democratic processes, transforming the structure of the current Nigerian social formation, ensuring stable structures and securing the participation and commitment of the majority

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<sup>1</sup>It is perhaps necessary to point out that Nigeria since it gained its independence in 1960, has functioned clearly only under two civilian-type, party governments, namely between 1960 and 1966, and 1979 and 1983. At all other times, since independence, the Military have ruled.

<sup>2</sup>This issue of structural spatial and social inequality has been emphasized in different works such as G. Williams (ed.), *Nigeria: Economy and Society*, London, Rex Collings, 1976; O. Nnoli (ed.), *Path to Nigeria Development*, Dakar, Senegal, Codesria Books, 1981; and Tade Akin Aina, "Class Structure and the Economic Development Process, Nigeria 1946-75", *Odu, Journal of West African Studies*, New Series, No. 29, January 1986, pp. 17-36.

of Nigerians. It is in relation to these goals that the understanding of urban-rural relations in the history of political development in Nigeria becomes important and central.

This is because of importance to the discussion which follows is the recognition of democratization as the extension and possession of the rights of people to define and control their collective destiny be it in their economic, social, cultural and political life. This, in fact, is perhaps the crucial point in the question of rural under development and backwardness in contemporary Africa. Thus, in spite of the fact, that rural communities in contemporary Africa have lived under different types of regimes ranging from the so-called highly diverse civilian governments to the military dictatorships, they (rural communities), except in very rare instances, have neither lived under real democracies or political arrangements of their own choices. They have also lived as objects of policies rather than as subjects of policy with minimal or no real participation in the discussion, formulation, determination, and most times, even the implementation of the far reaching decisions that have affected their lives.

Perhaps, a more significant dimension of this alienation from policy is that most African national formations being predominantly rural societies, have relied mainly (until may be recent times) on surplus extracted or derived from peasant agricultural or other rural-based production. Thus, directly or indirectly, African rural communities in general, and Nigeria in particular, have acted as producers of national wealth without in any way being the major beneficiaries. Rather, the development process as it has been experienced in these places has been made literally on the backs of the rural petty producers and labourers.

The subject of concern of this article, urban-rural relations in the context of democratic transition in Nigeria, which also implies the marginalization and immiseration of the peasantry, is meant to highlight this subordination, domination, and exploitation of the rural communities and its implications for the achievement of real democratic rights. It needs to be stated though, that in the pursuit of our analysis, we are relying mainly on the method of political economy which recognizes historical, cultural and regional specificity and the centrality of concrete people as agents and subjects of development and analysis. Urban-rural relations are not simply spatial relations. They are social, political, economic and cultural relations embodied in a class structure and relations, and involved in the over all process of the under development of national formations and their incorporation into the World Capitalist System. These relations possess a history deriving from both traditional precolonial structures and other structures that have emerged with the colonization process. These have consequently defined the various centres of control, accumulation and domination. The effect

of the process mentioned above has been a contemporary strategy of national development which emphasized both the subordination and political marginalization of the rural communities. Although, this strategy has changed in form since colonial rule, it has not changed much in context. The crux of the argument is that the political underdevelopment of the rural areas in Nigeria was intensified and consolidated by the process of colonial accumulation and domination which was 'centre-based', i.e., with its locus in a hierarchy of centres, with the Metropolitan centres at the apex, and in the various urban, regional and national centres within the national formation. Rural underdevelopment with its economic, political and cultural marginalization of the rural producing classes, took its familiar form from this process.

The post-colonial administrations did not change this in any major way, in spite of their endless lip-service to various programmes and objectives of improving the lot of the rural communities.

In reality and objectively, they could not. This is because, recruitment into the post-colonial administrations and structure of domination in Nigeria was based on a class structure which had little or no roots in direct production, least of all in the rural areas. Rather the social base of the emergent post-colonial dominant, indigenous classes were in commerce, the professions, services, the bureaucracy, and the armed forces.<sup>3</sup> Although, the last few years have seen a motion into some form of involvement in agriculture, this however, has been limited. It has been predominantly urban-based with high imports-dependence and extensive capitalization of inputs such as fertilizers, chemicals, pesticides, technology and skilled manpower. It has also been marked by increased activities in non-traditional indigenous areas of agricultural production such as poultry, dairy-farming, fish farming and feeds production. The implications of these developments will be further examined in this article.

There exists, therefore, a structural limitation reinforced by laws, attitudes and values which despise the peasantry. Rural development seen in terms of the autonomous qualitative and quantitative transformation of the productive forces and lives of the rural communities to the benefit of their majority has never really existed. What existed has been a systematic process of rural under development. And, a major determinant of the structure and process of ongoing rural under development, is in itself the political process. If care is not taken, current attempts at political transition could result in the reproduction of a structure which does not seriously address the problem of inequality, domination and exploitation that has characterized the lot of our rural communities. This in short are the main arguments we intend to

<sup>3</sup>See Tade Akin Aina, *op. cit.*, 1986, pp. 23-27,

pursue in this article. In it, we intend to begin by tracing the broad picture of urban-rural relations in the history of what can be called Nigeria, examine the current political transition programme, extract what seems to be the direction of urban-rural relations within it and finally provide a discussion of options and prospects.

#### URBAN-RURAL RELATIONS IN NIGERIA'S DEVELOPMENT

By development here, we refer to the wider and more holistic vision of qualitative and quantitative beneficial transformation of a specific social formation. It is a holistic conception that incorporates all the relevant institutions and processes within the social formation such as politics, production, law, culture, religion, family, etc. It is in this sense that we attempt a broad review of urban and rural relations in what constitutes contemporary Nigeria. However, for ease of analysis, a broad periodization is used based on three major dimensions—pre-colonial, colonial and post-colonial.

##### *Urban-rural Relations in Pre-colonial Nigeria*

What constituted Pre-colonial Nigeria was not a homogenous entity. It consisted of different communities and societies with differing forms of social, economic and political organizations. There were groups organized into Kingdoms with clear-cut internal hierarchy and social stratification such as the Bini Kingdom, the Yoruba Kingdom, the Fulani emirates and the Nupe Kingdom. There were more egalitarian structures based on village councils and age-grade systems with some hierarchy but not to the extent of the former category. One found these with the Igbos, Ibibios, and Yakos. At another level of social and political organization were groups based on such arrangements as segmentary lineages.<sup>4</sup>

Settlement patterns also varied among these societies and communities. Those with less centralized political and social structures showed a tendency to live predominantly in dispersed village communities with very few large settlements. On the other hand, the more centralized structures created larger settlements. The Hausa-Fulani emirates combined both villages with traditional towns such as Sokoto and Kano which served either as commercial centres, religious centres or administrative/political centres. The Yorubas, according to observers were the most urbanized groups in Africa.<sup>5</sup> But their urbanization was quite distinct from that introduced by colonization. Their towns could be called agricultural or agrarian towns. They lived mainly in these towns

<sup>4</sup>See Meyer Fortes and E.E. Evans Pritchard (ed.), *African Political Systems*, Oxford, 1940; Lucy Mair, *African Kingdoms*, Oxford, Clarendon Press, 1977.

<sup>5</sup>D. Olatubosun, *Nigeria's Neglected Rural Majority*, Ibadan, 1975.

which served as the administrative and political headquarters of their Kingdoms with their farmlands in the outskirts. Their rural population consisted of small village-size settlements surrounding the urban centres and depending on them for political control, economic activity, and even ritual and religious leadership.

However, these precolonial urban centres operated predominantly along the lines of an agrarian or precapitalist political economy. Although, they were marked by internal stratification and quite complex social and economic division of labour, they operated to a great extent, an articulated and integrated political economy. Politics and administration, kinship, religion and ideology and the definition of cultural rights and obligations all functioned with the economy in the pursuit of the dominant goals of the traditional structure—that of the maintenance and reproduction of existent social structures and relations. Occasionally, the extent social order was threatened by wars either through invasions, civil wars or the rebellion of vassal-states and people. But after these disruptions, the previous order was either destroyed, dominated or it survived. Whatever the outcome, the emergent order was often based on an integrated structure within which the economy, culture, society and religion were all internally articulated. This was so in most of pre-colonial Africa until the massive dislocation and disruptions that were caused by the Trans-Atlantic and Trans-Saharan slave trade, the wars of conquest by the Europeans and the Arabs, and the various internecine wars that characterized Africa in the 18th and 19th centuries. All of these disruptions provided an excuse for the so called pacification campaigns of the colonial wars of conquest.<sup>6</sup> The latter events finally sealed the trend of disruption, instability and disorder, resulting in the introduction of the colonial order under which a distinct pattern of urban-rural relations emerged.

#### *Urban-rural Relations in Colonial Nigeria*

Colonial rule fundamentally changed the overall structure and lives of the different communities and sub-national formations that now constitute Nigeria. It, both introduced and reinforced new political-administrative forms, new laws, new economic forms, new institutions and beliefs and new patterns of social stratification. It reorganized and re-directed the process of accumulation and created not only new towns, but also modified existing pre-colonial ones. Above all, it introduced new forms of urban-rural relations, that essentially worsened the conditions of those areas that can now be termed rural.

The concern of colonial rule was mainly economic, in search of markets for raw materials, labour and finished products from Europe.

<sup>6</sup>On this, see for instance: Bill Freund's, *The Making of Contemporary Africa*, Macmillans. 1984.

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##### *Urban-rural Relations in Pre-colonial Nigeria*

What constituted Pre-colonial Nigeria was not a homogenous entity. It consisted of different communities and societies with differing forms of social, economic and political organizations. There were groups organized into Kingdoms with clear-cut internal hierarchy and social stratification such as the Bini Kingdom, the Yoruba Kingdom, the Fulani emirates and the Nupe Kingdom. There were more egalitarian structures based on village councils and age-grade systems with some hierarchy but not to the extent of the former category. One found these with the Igbos, Ibibios, and Yakos. At another level of social and political organization were groups based on such arrangements as segmentary lineages.<sup>4</sup>

Settlement patterns also varied among these societies and communities. Those with less centralized political and social structures showed a tendency to live predominantly in dispersed village communities with very few large settlements. On the other hand, the more centralized structures created larger settlements. The Hausa-Fulani emirates combined both villages with traditional towns such as Sokoto and Kano which served either as commercial centres, religious centres or administrative/political centres. The Yorubas, according to observers were the most urbanized groups in Africa.<sup>5</sup> But their urbanization was quite distinct from that introduced by colonization. Their towns could be called agricultural or agrarian towns. They lived mainly in these towns

<sup>4</sup>See Meyer Fortes and E.E. Evans Pritchard (ed.), *African Political Systems*, Oxford, 1940; Lucy Mair, *African Kingdoms*, Oxford, Clarendon Press, 1977.

<sup>5</sup>D. Olatubosun, *Nigeria's Neglected Rural Majority*, Ibadan, 1975.

which served as the administrative and political headquarters of their Kingdoms with their farmlands in the outskirts. Their rural population consisted of small village-size settlements surrounding the urban centres and depending on them for political control, economic activity, and even ritual and religious leadership.

However, these precolonial urban centres operated predominantly along the lines of an agrarian or precapitalist political economy. Although, they were marked by internal stratification and quite complex social and economic division of labour, they operated to a great extent, an articulated and integrated political economy. Politics and administration, kinship, religion and ideology and the definition of cultural rights and obligations all functioned with the economy in the pursuit of the dominant goals of the traditional structure—that of the maintenance and reproduction of existent social structures and relations. Occasionally, the extent social order was threatened by wars either through invasions, civil wars or the rebellion of vassal-states and people. But after these disruptions, the previous order was either destroyed, dominated or it survived. Whatever the outcome, the emergent order was often based on an integrated structure within which the economy, culture, society and religion were all internally articulated. This was so in most of pre-colonial Africa until the massive dislocation and disruptions that were caused by the Trans-Atlantic and Trans-Saharan slave trade, the wars of conquest by the Europeans and the Arabs, and the various internecine wars that characterized Africa in the 18th and 19th centuries. All of these disruptions provided an excuse for the so called pacification campaigns of the colonial wars of conquest.<sup>6</sup> The latter events finally sealed the trend of disruption, instability and disorder, resulting in the introduction of the colonial order under which a distinct pattern of urban-rural relations emerged.

#### *Urban-rural Relations in Colonial Nigeria*

Colonial rule fundamentally changed the overall structure and lives of the different communities and sub-national formations that now constitute Nigeria. It, both introduced and reinforced new political-administrative forms, new laws, new economic forms, new institutions and beliefs and new patterns of social stratification. It reorganized and re-directed the process of accumulation and created not only new towns, but also modified existing pre-colonial ones. Above all, it introduced new forms of urban-rural relations, that essentially worsened the conditions of those areas that can now be termed rural.

The concern of colonial rule was mainly economic, in search of markets for raw materials, labour and finished products from Europe.

<sup>6</sup>On this, see for instance: Bill Freund's, *The Making of Contemporary Africa*, Macmillans, 1984,

The trade with Europe, even before formal occupation had begun to bring certain coastal ports and settlements that were insignificant in the traditional order into a status of political and economic significance. With formal occupation, the colonial establishment of administrative centres, the building of railways, and ports, and the growth of cash-crop production for export, new towns were created where they did not exist, some minor traditional towns gained in importance, while some towns that were important in the pre-colonial era were downgraded.<sup>7</sup>

Home, in fact, showed how settlements prospered depending on their location and function in the new colonial cash crop economy. They grew either as entrepôts, important links in the new transportation networks, points of collection of agricultural produce, administrative centres or/ and as ports.<sup>8</sup> In the meantime, old traditional towns that did not fit immediately into the new order such as Badagry, Sokoto and Ife declined. Thus a new hierarchy in the order and role of settlements was introduced, tied to the dynamics of the colonial political economy. Colonization, therefore, actively created new towns while changing the role of some old ones. But, by the 1930s, the process of the creation of new towns had stopped. The development of towns was only reinforced through their administrative roles, activities and laws, the encouragement of commerce, the building of railways and ports, and the provision and expansion of infrastructures and services.<sup>9</sup>

The emerging pattern of colonial urban-rural relations was however entrenched and reflected in one major legislation that can be considered as possessing far reaching implications for the development process in Nigeria. This was the Township Ordinance of 1917 which classified towns as first class townships, second class townships, third class townships, and native towns.<sup>10</sup>

Mabogunje saw the classification mainly as the basis for the provision of amenities and services.<sup>11</sup> Wraith and Home on the other hand have offered different explanations. Wraith saw the law in terms of the

<sup>7</sup>See R.K. Home, "Urban Growth and Urban Government, Contradictions in the Colonial Political Economy" in G. Williams (ed.), *Nigeria: Economy and Society*, Rex Collings, London, 1976. J.O.C. Onyemelukwe, "Urbanization in a Development Context: Patterns, Problems and Prospects in Nigeria", in Nigerian Economic Society, *Urbanization and Nigerian Economic Development*, proceedings of the 1977 Annual Conference of the Nigerian Economic Society. Akin L. Mayogunje, *Urbanization in Nigeria*, New York African Publishing Corporation, 1968.

<sup>8</sup>R.K. Home, *op. cit.*, pp. 57-61.

<sup>9</sup>Ibid., p. 58.

<sup>10</sup>Mabogunje, *op. cit.*, pp. 112-16, R.K. Home *op. cit.*, pp. 64-70; and R.E. Wraith, "Local Government" in J.P. Mackintosh (ed.), *Nigerian Government and Politics*, London, 1966 have discussed the implications of this law. See also, E. Adeniyi, "Administrative Framework for Physical Planning in Nigeria" in P.O. Sada and J.S. Oguntoyinbo, *Urbanization Processes and Problems in Nigeria*, Ibadan, Ibadan University Press, 1981.

<sup>11</sup>Mabogunje, *Ibid.*, 1968, pp. 112-116.

failure of planning for effective municipal administration, while, Home believed that it reflected the orientation towards segregation implicit in Lugard's Indirect Rule system.<sup>12</sup> In a recent article, Home has reiterated his 1976 position and shown further evidence that town planning in Nigeria was geared towards the attainment in physical terms and settlement patterns, the main ingredients of Lugard's ideology of Dual Mandate and Indirect Rule. In other words, it was geared towards spatial segregation and separate development.<sup>13</sup>

Under the 1917 legislation, the only first class township was Lagos, the other categories were also treated differently while the native towns suffered deliberate neglect, both in planning and the provision of services and utilities. If this was the fate of 'native towns', it should not be too hard to imagine the rate of the rural settlements, i.e., villages and hamlets, which did not even qualify to be classified as native towns. Allocation of resources for infrastructure or facilities to such settlements during the colonial period depended on economic linkage, accident of location or strategic (particularly military) reasons. As Olatunbosun has noted, rural settlements in the colonial era in comparison with the urban areas, were characterized by limited or non-existent, or severely deficient supply of basic services and utilities, such as, water, rural electricity, health and educational services and roads.<sup>14</sup>

Of far reaching implications for meaningful democratization was the fact that major political, administrative, economic and other important decisions and plans, were devised, debated and made in the urban centres. Of course, the colonial administration and her commercial representatives were located in these centres. So also were the most important and strategic indigenous groups, strata and classes. These were the new professionals, the emerging domestic bourgeoisies, the growing working class, the new middle class and the petty bourgeoisie.<sup>15</sup> The most important organs, such as, political parties, ethnic associations, crafts and trade guilds and associations, and trade unions were also urban-based. Thus, the most effective and visible vehicles of mobilization, particularly those involved in the anti-colonial struggles were urban-based and directed by urban elites and personnels.

Of course, the rural communities were used in these struggles. The literature is in fact replete with their contributions and sacrifices.<sup>16</sup> But both for the anti-colonial struggles and the elections that followed,

<sup>12</sup>R.K. Home, *op. cit.*

<sup>13</sup>R.K. Home, "Town Planning, Segregation and Indirect Rule In Nigeria", *Third World Planning Review*, Vol. 5, No. 2, May 1984, pp. 165-175.

<sup>14</sup>Olatunbosun, *op. cit.*, pp. 22-26.

<sup>15</sup>See J.S. Coleman, *Nigeria: Background to Nationalism*, Berkeley, University of California Press, 1963. Also see: E.A. Ayandele, *The Educated Elite in The Nigerian Society*, Ibadan, Ibadan University Press; and R. Cohen, *Labour and Politics in Nigeria: 1945-71*, London, Heinemann, 1975.

<sup>16</sup>See Coleman, *op. cit.*, Olatunbosun, *op. cit.*

they were in the main, virtually subjects of manipulation from the urban-based political elite who utilized fear, ignorance, harrassment, local patrons, traditional rulers and institutions, religion and ethnic sentiments and symbols to achieve their own narrow objectives of ascending to power. It can be denied that certain benefits trickled down at both collective, spatial and individual levels to the rural communities. These were in the form of higher incomes in the predominantly cash crop producing areas, some amenities and infrastructures in these areas and those other areas that had the benefit of political patronage or were strategically located in areas maximally suited for certain development projects such as dams, irrigation projects, training schools, etc. In a lot of cases, these often turn out to be enclave project sites with little or no backward or forward linkages with their immediate sites of location. The beneficiaries from the improvements or facilities in the rural areas were often a tiny minority and when compared with what accrues to the urban elites, their gains as in the proceeds of the Cocoa boom of the 1950s often turn out to be minimal and inconsequential.

Colonial urban-rural relation was, therefore, mainly uneven and unequal in its tilt towards the urban centres. It worsened the pre-colonial urban-rural disparity in several Nigerian communities, creating sharper urban-based and metropolitan-oriented accumulation and urban-based concentration of power, services, amenities and benefits. More significantly the relationship remained not only lopsided but increasingly disarticulated.

#### *Urban-rural Relations in Neo-colonial Nigeria*

Certain significant elements of the mode of accumulation, pattern of domestic domination, and nature of the insertion of Nigeria into the World Economy have led some theorists to deny a periodization which characterizes Nigeria as post-colonial. As recently as 1980, Peter Ekeh remains convinced that we still operate a Colonial Social Structure.<sup>17</sup> Others would prefer the term 'neo-colonial' which, while acknowledging constitutional decolonization recognizes concrete relations of domination, exploitations and inferiority at the levels of the economy, domestic politics and culture, technology and international relations. Some such analyses have unequivocally located contemporary Nigeria as neo-colonial.<sup>18</sup>

The character of urban-rural relations in the neo-colonial era took its form not only from the definition imposed by the colonial process but

<sup>17</sup>See Peter P. Ekeh, *Colonialism and Social Structure*, University of Ibadan, Inaugural Lecture 1980, Ibadan, 1983, pp. 2-6.

<sup>18</sup>See Gavin Williams, *op. cit.*; See also, Bade Onimode, *Imperialism and Underdevelopment in Nigeria*, London, Zed Press, 1983; S. Osoba, "The Transition to Neo-Colonialism" in Toyin Falola, (ed.): *Britain and Nigeria: Exploitation or Development*, London, Zed Books, 1987.

by the modifications in the political economy and the development strategy that emerged with the building of a neo-colonial political economy.<sup>19</sup>

The main development strategy prevalent in the late 1950s to the early 1970s emphasized capitalist development through: (i) the activities of foreign capital, and (ii) Capitalist development through the building and promotion of an indigenous capitalist class. The emphasis in the attainment of these dual objectives particularly in the 1950s and 1960s was through capital accumulation from small-holder agricultural production and imports-substitution industrialization.<sup>20</sup> Of course, even before the current crisis (1978-1980s) that has beset the Nigerian economy, several observers even within mainstream development economics have criticized and documented the weakness of this strategy.<sup>21</sup> Central to this strategy and a main demonstration of its urban bias, were the important tactics of diverting revenues and resources accruing from agriculture into urban-located imports-substitution industrialization, some urban-biased welfare and services, urban-biased employment generation, urban-based white elephant projects and programmes and an urban-elite based subsidized expansion of incomes, economic base and consumption. What perhaps needs to be noted immediately is that the benefits to the urban areas accrued more directly to the urban elites and decision makers who through their location in the structure of domination were able to mobilize and direct resources and benefits to their collective and individual advantages. Equally disadvantaged as the majority of the rural communities were the majority of the urban poor who live in slums, shanty towns and squatter settlements and were also deprived of economic and political rights, services and infrastructures.

According to Olatunbosun writing on the lopsided neo-colonial urban-rural relations, the Second National Development Plan 1970-74, clearly indicated this when it stated and he quotes: ". . . the growth of the rural sector in Nigeria is more a process of mobilising under-utilised and non-utilised land and labour", and, ". . . the role of the rural sector in the development process is (seen in terms of) the agricultural surplus which it generates" and which ". . . through the fiscal manipulation of market boards, . . . helps in financing a significant part of capital formation in the public sector".<sup>22</sup> This, definitely is a beast of burden role! This position was pursued clearly by the operators of the State apparatus of neo-colonial Nigeria. Within this period, apart from the impact of the civil war on the Eastern parts of

<sup>19</sup>See S Osoba, 1987 in Toyin Falola (ed.), *op. cit.*

<sup>20</sup>See Tade Akin Aina "Class Structure. . ." *op. cit.*, pp. 20-23.

<sup>21</sup>These include: S.P. Schatz, *Nigerian Capitalism*, Berkeley, University of California Press, 1977. Also, O. Teriba and M.O. Kayode (eds.), *Industrial Development in Nigeria, Patterns, Problems and Prospects*, Ibadan, Ibadan University Press, 1977.

<sup>22</sup>Olatunbosun, *op. cit.*, 1976, p. 33.

the country, rural incomes declined significantly between 1963 and 1970.<sup>23</sup> This decline in rural incomes of course affected rural production and conditions in general, in a negative way. It was further worsened by the intensification of State exploitation and repression in the rural areas particularly during the Civil War period, 1967-70, when the nation was mobilized for war and levies and taxes were increased in the federal-controlled parts of the country. Part of the outcome of this situation is what has been described as a Peasant uprising, the Agbekoya uprising in Western Nigeria which started from 1968 and was most intense between 1968 and 1969. It continued sporadically between 1969 and 1975.<sup>24</sup> This uprising directed against agents of the local government and the State, the Police, some traditional rulers and the urban elite in Western Nigeria reflected both the resentment, capacity for autonomous action, and of course, the organizational weakness and vulnerability of strategic groups within the rural communities. Some of the peasants involved were eventually coerced, marginalized, and/or coopted by both the state and representatives of the urban political elite. While the action destroyed the myth of an apathetic rural society, it showed not only the limits of sporadic action but also the crisis of legitimization and hegemony that has consistently plagued the urban-based dominant political elite both civilian or military.

Further deterioration in the conditions of the rural areas was experienced in the neo-colonial era, particularly with the advent of the petroleum oil boom from 1970. The sudden massive increase in State revenue from petroleum oil earnings which this occasioned contributed to the decline in agriculture's share of gross domestic product (GDP) which fell from about one half to less than one-third. With agriculture ceasing to be the main revenue earner any more, the spending spree that characterised government's activities from 1970 to 1983, had very minimal direct impact on development in the rural communities. This is not to deny the existence and implementation of projects and programmes, such as, building of roads, bridges, dams, schools, clinics, etc., and the initiation of policies ranging from *ad hoc* emergency measures to the various transplanted or imported integrated rural development efforts. The point is that in comparative terms, rural conditions rather than improve worsened and that instead of all these attempts constituting incentives for rural dwellers to stay in the land and increase their productivity the end-result was increasing outward migration and dwindling of agricultural productivity particularly in food and export crops. It is in response to the failure of these programmes and the lack of response from the rural communities in

<sup>23</sup>Olatunbosun, *op. cit.*, 1976, p. 84.

<sup>24</sup>See C.E. Beer and G. Williams, "The Politics of Ibadan Peasantry" in Williams, (ed.), *op. cit.* 1976, Also, C.E.F. Beer, *The Politics of Peasant Groups in Western Ibadan* University Press, 1976.

terms of meaningful increase in agricultural productivity that concern has been expressed and shown by various sectors of the Domestic Bourgeoisie.

This concern which was manifested clearly in the neo-colonial context at first during the Civil War seemed to possess a pattern in that it is articulated mainly during periods of economic or/and political crises. According to Olayide, such a concern had been expressed and acted upon by the Colonial regime during the emergency period of the World War II, the period of the Korean War and by the Gowon regime during the Nigeria Civil War.<sup>25</sup> The concern has mainly been, for self-sufficiency in food production in particular and overall increase in agricultural production in general. It has often entailed either the government taking up the leadership through campaigns and initiating organs to effect increased food production or through the introduction of a package of incentives, programmes and conditions to stimulate increased food production. The history of such intervention so far, has been a reliance on the independent rural agricultural producers, although recent trends since the beginning of the decades of the 1980s have seen a shift towards the active encouragement of developed capitalist enterprises (both foreign and indigenous) in direct agricultural production.

The concern and campaigns referred to above have emerged again in more recent times. In 1976-77 during the beginning of the recession in the Nigerian economy, it was presented as the Operation Feed the Nation (OFN) programme. With the harsher manifestation of the current economic crisis and Nigeria's debt problems, a similar campaign emerged in 1980 under the auspices of the defunct Second Republic as the Green Revolution. With the overthrow of that regime, the same problem remained and the Federal Military Government announced in December 1985 as part of its budget package and its economic and political programme, the setting up of a Directorate of Foods, Roads and Rural Infrastructures (DFFRI).

Incidentally, it was within the context of the same budget speech that the Directorate (DFFRI) was announced, that Nigerians got the first indication of the impending structural adjustment programme (SAP) through the lifting of an 80 per cent subsidy on petroleum product. It was also in the same speech that the "issue of a political programme" which set into motion the current transition programme. That same speech also touched on the issue of social mobilisation.<sup>26</sup> It will not be too far-fetched, if one therefore considers all of these elements and

<sup>25</sup>S.O. Olayide, *Food and Nutrition Crisis in Nigeria*, Ibadan, 1982, pp. 109-10.

<sup>26</sup>See Major General Ibrahim Babangida, "The 1986 Budget Speech" in *The Collected Speeches of the President: Major General Ibrahim Babangida*, Federal Ministry of Information and Culture, Lagos, Nigeria, 1986.

issues within one single holistic framework—namely that of a regime's response to the crisis of Nigeria's development. The transition programme along with the various institutions and programmes that have emerged since December 31, 1985 should, therefore, be seen in this light, not as the effects or desires of some benevolent political authority, but rather as the product of the endemic crisis of political, cultural and economic development which Nigeria has faced since independence, and the complications that an external debt problem and a foreign exchange shortage have added to this. This is perhaps a good point to examine the transition programme and its implications for urban-rural relations.

#### THE TRANSITION PROGRAMME AND PROCESS

The current transition programme is no doubt a product of, and reaction to the endemic political and economic crisis which has plagued the Nigerian nation since her independence in 1960.

The first indication of a transition programme was given by Major General Ibrahim Babangida who took over from Major General Buhari in 1985 in his 25th Independence Anniversary Speech on October 1, 1985, when he identified what he considered to lie at the bottom of Nigeria's 'past dilemma' as "...the absence of a viable political arrangement.' In that speech he promised the enactment of a political programme in 1986. Of significance for policy direction that has implications for urban-rural relations was the further point in that same speech in which he noted that:

For too long, we have perpetrated the neglect of our rural populations. We are now resolved to give primacy to rural development ...In particular, we shall pursue a food policy agenda and activity programmes such that the present urban bias is reversed...<sup>27</sup>

This promise was, however, concretized in the position taken in the 1986 budget speech broadcast on December 31, 1985.

The first step in the political programme was the launching of a debate on Nigeria's future polity through the inauguration of a Political Bureau in January 1986. This agency was not simply to serve the national debate, but also to provide an objective and indepth critique of Nigeria's past political experience and to provide a blueprint of a new political mode for the country.<sup>28</sup> The Bureau submitted its report on March 27, 1987 and there was a Government White Paper in May 1987. This

<sup>27</sup>Major General Ibrahim Babangida, "Silver Jubilee Address", October 1, 1985, in *Collected Speeches, op. cit.*, 1986, p. 15.

<sup>28</sup>*Ibid.*, p. 16.

<sup>29</sup>Major General Babangida, "Political Bureau Inaugurated", January 13, 1986 in

provided government's views on the Bureau's wide-ranging recommendations. It accepted and noted some and rejected others, particularly those with an explicit socialist orientation. Also, the White Paper struck a compromise between the minority and majority views on the Transition Programme and came out with one which takes full cognisance of government position and commitment. This 19-phase programme is given in Table 1.

As can be seen from the Table, the time-table is really a five year political-economic transition programme. It seems aimed at rectifying and resolving some of the intractable political and development problems of Nigeria, such as, the issues of population census, social mobilization of the citizenry, revenue allocation and local government-level political participation. Also, central in its programme is the Monetarist economic strategy of a Structural Adjustment Programme (SAP) that is the core of the World Bank and International Monetary Fund's definition of recovery from the World Economic Crisis.

But perhaps of interest here is the implicit assumption and intention to adjust the social base of Nigerian political activity and operations to a more grassroots level through the focus on local governments. In the time-table, local government elections take on great importance, featuring thrice and constituting a primary and central phase of political representation and activity. Implicit in the elevation of the role of local governments is the intention of turning the rural areas into an important locus of political activity, mobilization and representation.

It is the equivalent of this strategy in the Transition Programme that the institution and activities of the Directorate of Foods, Roads and Rural Infrastructures (DFFRI) are meant to ensure in terms of the development process. In other words, it is a development agency in the context of the transition programme.

#### THE DIRECTORATE OF FOOD, ROADS AND RURAL INFRASTRUCTURES (DFFRI)

The Directorate was inaugurated on February 7, 1986 with the overall objective of transforming rural Nigeria and improving the lot of the peasants. Initially, the emphasis was laid on rural roads to open up rural areas and boost food production. But since then, the Directorate has formulated a three-point objectives of Rural Development as follows :

- (a) To improve the quality of life and standard of living of the

TABLE 1 SHOWING TIME-TABLE FOR THE POLITICAL TRANSITION  
PROGRAMME IN NIGERIA

|                                  |   |
|----------------------------------|---|
| <i>3rd Quarter 1987</i>          | Establishment of the Directorate of Social Mobilization<br>Establishment of a National Electoral Commission<br>Establishment of a Constitution Drafting Committee   |
| <i>4th Quarter 1987</i>          | Elections into the Local Governments on Non-Party Basis.  |
| <i>1st Quarter 1988</i>          | Establishment of National Population Commission<br>Establishment of Code of Conduct Bureau<br>Establishment of Code of Conduct Tribunal<br>Establishment of Constituent Assembly<br>Inauguration of National Revenue Commission |
| <i>2nd Quarter 1988</i>          | Termination of Structural Adjustment Programme (SAP)  |
| <i>3rd Quarter 1988</i>          | Consolidation of gains of Structural Adjustment Programme (SAP)   |
| <i>4th Quarter 1988</i>          | Consolidation of gains of Structural Adjustment Programme (SAP)   |
| <i>1st Quarter 1989</i>          | Promulgation of a New Constitution<br>Release of New Fiscal Arrangements  |
| <i>2nd Quarter 1989</i>          | Lift of ban on Party Politics   |
| <i>3rd Quarter 1989</i>          | Announcement of two recognised and registered Political Parties   |
| <i>4th Quarter 1989</i>          | Election into Local Government on Political Party Basis   |
| <i>1st and 2nd Quarters 1990</i> | Election into State Legislatures and State Executives   |
| <i>3rd Quarter 1990</i>          | Convening of State Legislatures   |
| <i>4th Quarter 1990</i>          | Swearing in of State Executives   |
| <i>1st Quarter 1991—Census</i>   |   |
| <i>2nd Quarter 1991—Census</i>   |   |
| <i>3rd Quarter 1991—Census</i>   |   |
| <i>4th Quarter 1991</i>          | Local Government Elections  |
| <i>1st and 2nd Quarters 1992</i> | Election into Federal Legislatures and convening of National Assembly   |
| <i>3rd and 4th Quarters 1992</i> | Presidential Election, Swearing in of New President and final disengagement by the Armed Forces   |

SOURCE: Federal Republic of Nigeria, Government's Views and Comments on the Political Bureau, 1987, p. 78.

majority of the people in the rural areas, for example:

1. By substantially improving the quality, value and nutritional balance of their food intake.
  2. By raising the quality of rural housing, as well as of the general living and working environment in the rural areas.
  3. By improving the health conditions of the rural people.
  4. By creating greater opportunities for human development and employment, particularly self-employment and consequently enhancing rural income levels.
  5. By making it possible to have a progressively wider range and variety of goods and services to be produced and consumed by the rural people themselves as well as for exchange.
- (b) To use the enormous resources of the rural areas to lay a solid foundation for the security, socio-cultural, political and economic growth and development of the nation by linking the growth and development activities of the rural areas to those of the Local Government Areas, the States and the Nation.
- (c) To make rural areas more productive and less vulnerable to natural hazards, poverty and exploitation, and to give them a mutually beneficial linkage with other parts of the national economy<sup>30</sup>.
- (d) To ensure a deeply rooted and self-sustaining development process based on effectively mobilised mass participation, starting from the grassroots and encompassing the entire nation.

These are very laudable if quite broad objectives and try as the Directorate might, are bound to cost some money, considering the extent of Nigeria's rural areas. For this reason, DFFRI was given a vote of N433 million in 1986, although it actually received N300,591, 533.00 while in 1987 it received N500 million and in 1988 another N500 million<sup>31</sup>. Still as an element of the operations that will encompass the objectives stated above, the Directorate's programmes include: (a) Organization and Mobilisation; (b) Food and Agriculture; (c) Rural Housing; (d) Rural Health; (e) Education and Manpower Development; (f) Rural Industrialisation; (g) Rural Technology Develop-

<sup>30</sup>"Directorate of Foods, Roads, and Rural Infrastructures (DFFRI)—Facilitors" in *Giant Strides*, Vol. 1, October, 1987, VBO, International Limited, Lagos, Nigeria, pp. 440-445.

<sup>31</sup>"DFFRI—Facts and Fiction", *Newswatch Magazine*, March 28, 1988, p. 15.

ment and Promotion; (h) Rural Infrastructures Development; (i) Grassroots Sports Development and Promotion; (j) Socio-cultural and Recreational Activities Development and Promotion; (k) Grassroots, Political Development, Community and Social Mobilisation; and (l) Performance Monitoring and Evaluation. However, for the Directorate, all of these can be classified into three major areas, namely, Organisation and Mobilisation, the provision of infrastructures, and the participation of the communities in productive activities.<sup>32</sup>

There has been, however, some scepticism and criticisms of the Directorate's activities and effectiveness. Some of these have centred on the durability and effectiveness of its projects, such as roads, boreholes, etc. Others are concerned with the fact that the Directorate's activities are not felt in several rural areas and communities. DFFRI's projects and efforts they claimed have not penetrated several identifiable local government areas. Other criticisms have included reference to a lack of awareness of ecological and environmental implications in their programmes and projects. The Directorate has built rural feeder roads without attendant drainages and, thus, paved the way for a worsening of the erosion situation. There have been other unintended ecological implications which are the result of the fact that environmental issues are not central in the programme planning and implementation.

However, all these criticisms need not remove the fact of the novelty and far-reaching orientation embodied in the programmes and institution of the Directorate. First, it needs to be noted that part of the mobilization efforts include a goal of autonomy and self development. Rural education (not just formal education), institution-building, and self-help in the construction and maintenance of infrastructures, have all been mentioned as important elements in their programmes. There is also the fact of, perhaps the first in Nigerian history, of transferring and reorientating resources from the urban areas to the rural areas. (This is done through diverting part of revenue from the withdrawal of petroleum subsidies to its programmes). Also the Directorate's personnel seem committed, genuine and enthusiastic about their goals and have for instance initiated several discussions on options and alternatives on how to tap, reward and protect the long-neglected energies of the rural areas.

But good intentions, knowledge, and genuine commitment are not enough! Fears need be expressed. And again, this is that design, implementation and decision on these objectives and programmes are from urban-based elites, scholars, administrators and technocrats, whose concern, no matter how genuine and patriotic is based on a conception of development, distinct and perhaps incomunicable (or

<sup>32</sup>*Giant Strides, op. cit., p. 435.*

not yet communicated) to the ultimate rural producer and dweller. In attaining these goals and objectives, these policy makers might be tempted to sacrifice the peasantry at the alter of this development process as has been done elsewhere in the world, where the "push towards development" has involved forced massive rural social and spatial reorganization. That is, in the design of programmes and projects and the evaluation of costs and output, ordinary rural people might be forgotten and lost.

The costs of this in upheavals and dislocations are bound to be tremendous and it is unlikely whether it will succeed in transforming or incorporating the rural poor. (Note the rural poor, not the rural areas!). In our view, the problems faced here is the central element of the peasant question in Neo-Colonial Africa. The African governing classes have a problem with their rural producer: the predominant mode of accumulation through peasant agriculture depends on them in several cases, yet this very mode through its various limitations makes it impossible for the effective and rapid development of productive forces and social relations that either incorporates the small-scale rural producer, makes her irrelevant or transforms her. The capacity to do any of these depends on a politics and a political structure which seem not to have taken root in any sub-Saharan African nation. It is, therefore, often resolved through repression and coercion which again contain very obvious temporal and socio-cultural limits, particularly, in the context of endemic economic crises, unstable polities and blocked transition. The current attempts which involves the use of DFFRI, represent perhaps, the perception and vision of a faction of the Nigerian elite in over coming the obstacles mentioned above. The question is not whether they will succeed or fail but rather whether other options exist.

#### OPTIONS AND CONCLUSIONS

It needs to be noted that the choice of policy options involves political decisions determined by the structure of power relations and the configuration of social forces. Options are never neutral, the result of considered and balanced academic reflection only. They are the products of structural limitations and the amount of space permitted by political-economic structures and forces. No matter how analytically rational they might be, they are in the end determined by effective struggles between concrete groups with differing vested interests. The implication of this is that in order to ensure a development strategy and orientation that will tackle the problem of rural under development at its root and also extend democracy to the majority of rural dwellers, there must be significant political changes.

This is not only in the politics of the society itself, but also in the very organization of politics, society and the economy. It requires a reorientation of the economy from the neo-colonialist, metropolitan, urban-based orientation to one of the inward-looking, self-reliant political economy. This very reorientation also demands the internal re-organization of the society itself towards a more egalitarian people-oriented, self-integrated, internally-based production strategy. All these require the emergence of a new kind of leadership with objectives, ideology, and strategies that are fundamentally different from current ones. The emergence of such leadership cannot be generalized. This is dependent on the specific history, culture, politics, economy, and international role of the country involved in such a transition. It definitely will not be an easy thing and will be a matter of intense and protracted struggle against established vested interests. But its necessity for the resolution of the rural poverty question and the crisis of national development cannot be denied. This is because both issues are closely intertwined. Meaningful and relevant development involves not only the development of national productive forces but also the liberation of the majority of people from poverty, hunger, want, and degradation. It also involves the extension or conquest of democratic rights in the ownership and production of productive wealth and relevant consumption. But these cannot be attained without the support and active participation of the majority of the population. Such support presupposes a process of massive mobilization and political education. In the context of contemporary Nigerian development, massive coercion and repression cannot achieve this kind of support and involvement. And, in fact, the Nigerian state, like the states in most African nations, even if it has functionaries with the will, does not possess either the capacity or the technology for such sustained action. So, it is the voluntary or acquired support of the people that is required. Gaining this requires mobilization and education by people-oriented parties which must be backed with concrete results and achievements in the areas of organization, action and decision-making. Trust between the new leaders and the predominantly rural-based masses is also essential. For it is this that will ensure committed support. But, this must be won on the basis of programmes and policies that show that the interests of the rural majorities are paramount and that the leadership has confidence in them and respect for their persons, knowledge, and experience. Such confidence and respect from the leadership will involve learning from the masses and their consequent empowerment in terms of conception of programmes, definition of objectives, choice of strategies and techniques and ultimate implementations. It is the pursuit of such a rural mass-based option, that will constitute the beginning of the bridging of the social, political and spatial gaps between

town and country. This will re-establish linkages between them as habitats of the people of the national formations and different but equal and complementary parts of a national productive whole working towards the fulfilment of the overall needs of all its constituents. But, such an option is the most difficult of the available strategies. It will be strongly resisted not only by the urban vested-interests but even by some of the rural masses who might not understand it. It is, therefore, essentially an act of social and economic transformation not adjustment. □

# *Urban Government System in Nepal*

BALLABH PRASAD ACHARYA

NEPAL HAS a widely dispersed settlements system which has developed in response to its physical setting and economic requirements. The settlements system has only recently begun to experience rapid growth. Although, the capital city of Kathmandu still dominates the urban scene, the city's population was only 2,35,160 inhabitants in 1981. The Greater Kathmandu area, comprising Kathmandu and Lalitpur, had only about 3,15,000 inhabitants in 1981. Therefore, in comparison to the generally conceived population threshold of one million for a city to be called a metropolitan one, Nepal has none so far, but the Greater Kathmandu area has often been referred to as a metropolitan area.<sup>1</sup> This study is based on the general situation of urban government system in Nepal, and as such, only the broad picture concerning information on various aspects of urban local government, such as, administrative structure, finance, planning, public participation, and general trends in services delivery, is presented. A concluding section summarizes the main thrust of the article.

## TRENDS IN URBAN GROWTH

In the Nepalese context, it is rather difficult to define an urban centre. In Nepal, a settlement or a group of settlements, having a population of 2,000 or more may be termed as a Village *Panchayat*, and over 9,000, a Town or a *Nagar Panchayat* (NP). Therefore, in this study, large and small villages with recognized Village *Panchayats* have been treated as rural areas, while towns and cities with recognized Town *Panchayats* have been considered as urban areas. For international comparison, a Town *Panchayat* is a municipality. The urbanization level in the country increased from 2.90 per cent in 1952/54 to 6.38 per cent in 1981, and to 7.16 per cent in 1983 with 29 centres (20 in the Terai, nine in the hills and none in the mountains) having a combined population of 1,052,000 (Fig. 1). The population of NPs grew three times as fast as

<sup>1</sup>National Planning Commission, *Fourth Plan 1970-75*, His Majesty Government of Nepal, Kathmandu, 1972, p. 289.

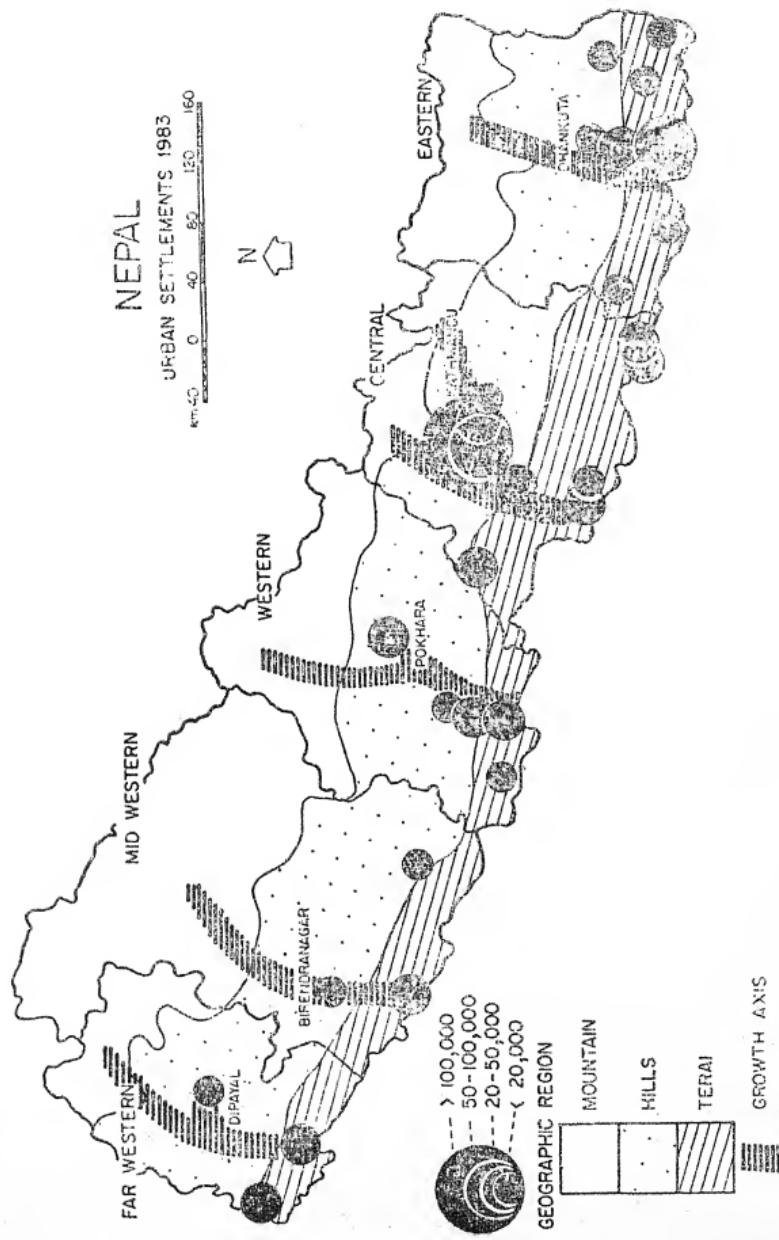
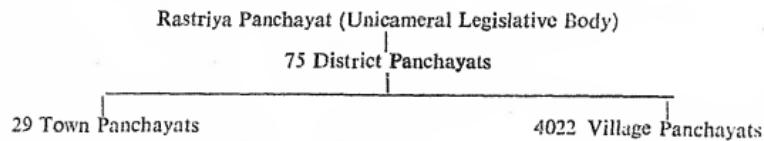


FIG. 1

the national average of 2.66 per cent during the 1971-81 period. High level of rural to urban migration, annexation of rural areas to the urban areas, and designation of new urban areas have been the main reasons of the growing urban population. Recent projections based on current trend suggest that with a base urban population of 1.36 million (8.2 per cent of the national total) in 1985, the population in the existing NPs will increase by 5,85,000 and 2,633,000 persons respectively between 1985-90 and 1985-2000 which would put the urbanization level at 13.8 per cent in 2001.<sup>2</sup> Housing this growing urban population and improving the conditions of the existing ones has become a challenge for the country. The rapid growth of urban settlements has caused considerable stress on the existing infrastructure and service systems and increased the housing problems. Urban services like water supply and health, sanitation, drainage, solid waste disposal, etc., are already inadequate in most settlements and this crucial situation calls for the growth in management skill in urban development to handle future problems.<sup>3</sup> At the moment, there is general weakness of the NPs to address their own urban service requirements.

#### ADMINISTRATIVE STRUCTURE

With an area of 1,47,000 sq km, the Kingdom of Nepal had a population of 15.02 million in 1981 (estimated 16.3 million in 1984). The country is subdivided into more than 4,000 communities that are governed by a *Panchayat*. The structure of the *Panchayat* system is made up of three tiers—Village or Town *Panchayats* at the lowest level, the District *Panchayat*, and the *Rastriya Panchayat* (National *Panchayat*) (Fig. 2). All these consist of elected representatives of the people. The Town and Village *Panchayats* form the base of the *Panchayat* Structure, and are the executive bodies of the Town and Village Assemblies respectively, whereas the *Rastriya Panchayat*, the apex of the *Panchayat* Pyramid, is a unicameral legislature.



SOURCE : B.K.C. Ram, *Facts About Nepal*, (Second Edition), Department of Information, HMG of Nepal, 1984, p. 10.

FIG. 2 THE THREE-TIER SYSTEM

<sup>2</sup>PADCO, *Nepal Urban Development Assessment*, US AID, Washington, DC, 1984, pp. 26-27 and 44.

<sup>3</sup>Ibid., pp. 44-45.

Politically and from an administrative point of view, the country is divided into 14 zones and 75 districts. In 1970, the country was broadly divided into four development regions, and since 1982, there have been five development regions in the country. Despite Village and Town *Panchayats* being the grassroot units of general administration, the basic unit of administration as such starts from the district level. The district administration is headed by the Chief District Officer (CDO), who works under the general guidance and supervision of the zonal administration. The CDO exercises the law and order functions helping to create positive atmosphere for easing development works. The Local Development Officer, attached to the District *Panchayat*, is primarily responsible for the overall coordination and implementation of development activities in the district. Each of the 14 zones has a zonal commissioner whose office generally exercises supervisory functions over the district administration. The District Administration Plan ensures an integrated administrative structure; the former independent field offices of various ministries now form the integral units of district administration. The general administrative organization of Nepal is shown in Fig. 3.

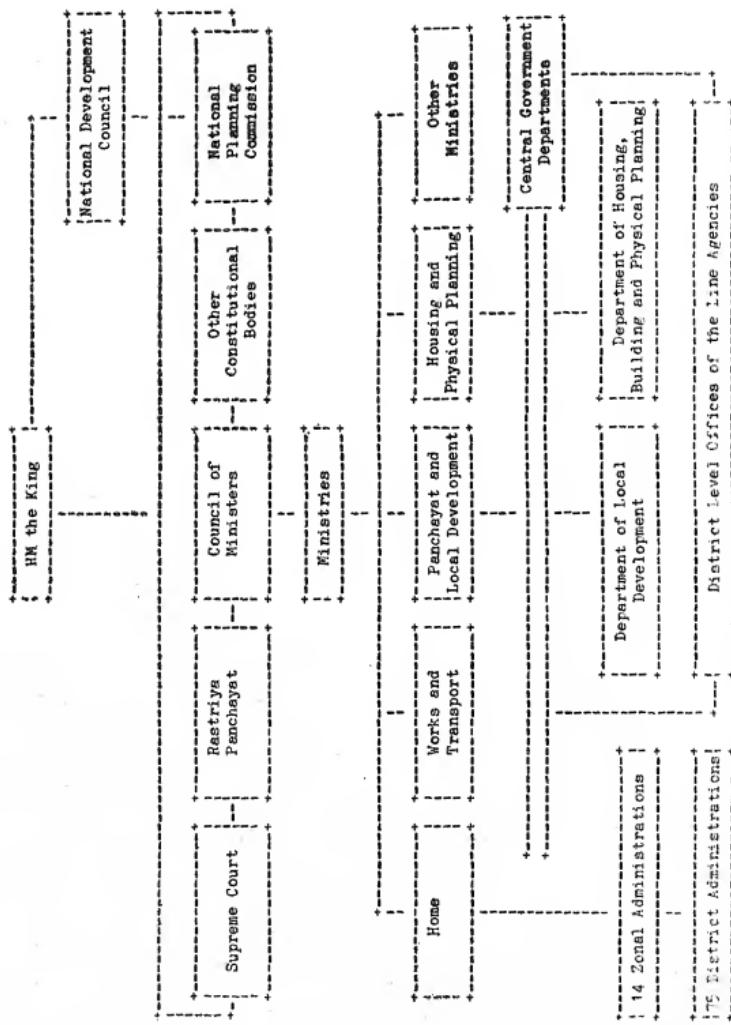
#### *Link Between Local and Central Governments*

The parental organization of the local governments (NPs and Village *Panchayats*) is the Ministry of Panchayat and Local Development (MPLD). The MPLD has the legal, political, and institutional linkages with both these types of local governments. Legally, it is this ministry which can supervise, guide, direct and control both Village and Town *Panchayats*, and as such, it can foster close relationship between these institutions in the process of urban development. In addition, His Majesty's Government (HMG) of Nepal has a superior power to dissolve any NP or Town Assembly, and can also suspend or remove any member of these bodies.

#### *The Nagar Panchayat*

The *Nagar Panchayat* is divided into a number of wards (9 to 33), which constitute the lowest level in the urban local government system in Nepal. Each ward has its elected chairperson and four members who constitute the ward committee. The five major types of functions identified for the ward committee are related to maintenance and repairs, services, planning, record keeping, and policing.

Members of all ward committees and their chairpersons form the Town Assembly. Its functions are to approve the annual budgets of the NP, its plans and programmes as well as to review the progress. It also frames by laws for the NP, and in general, it exercises supervisory authority regarding the development of the town. The executive committee of the Town Assembly consisting of the chairperson, vice-chairperson and the chairpersons of the ward committees is called the Town



NOTE: The regions can not be shown here because they are functional units without administrative status

FIG. 3 ADMINISTRATIVE ORGANIZATION OF NEPAL

*Panchayat*. The chairpersons of the class and professional organizations in the town are also *ex officio* members of the NP.

### *Powers of Nagar Panchayat*

The municipality of the Town *Panchayat* derives its power from the Town *Panchayat Act, 1962*.<sup>4</sup> It has to perform an array of obligatory and optional functions which are similar to that of the ward's function but are far greater in scope of coverage. Its main duty is to work towards the general welfare of the people and to undertake development works. Thus, it works to provide infrastructure and essential services like water supply, health and educational facilities, drainage and sewerage, road network, etc., to keep a record of vital statistics, settle disputes of local nature, issue building permits and prepare periodic plans for orderly town development. The Decentralization Act, 1982 enables the local *panchayats* to take active participation in the decision-making process, and they are empowered for plan preparation, resources collection and allocation, plan supervision, implementation and evaluation of the local level development works to be done under the District Development Plan.<sup>5</sup>

### *Structural Division of Urban Local Government*

Structurally, the urban local government is separated into two wings, the political (represented by various committees) and the administrative (represented by various units). These sub-entities are functionally linked. The NP is functionally divided into two major wings, elective and administrative. The chairperson of the NP, the *Pradhan Pancha* (PP or the mayor) has to play an influential role in the multi-dimensional affairs of the NP. The NP in Nepal can be paralleled with the system of strong mayor in the Mayor-Council type of local government. The administrative wing of the NP is headed by a Chief Executive Officer (CEO) who is appointed by the government. Under him there are several sections each manned by personnel employed by the NP. The PP (mayor), in the capacity of the chief of the elected wing, is supposed to make decisions over the policy matters of NP in consultation with his political colleagues, while the CEO, being the head of the administration, is supposed to implement such decisions. However, because of their unbalanced mutual relationship, which is usually present in most municipalities, this principle has become merely an ideal statement without realistic approach.<sup>6</sup>

<sup>4</sup>His Majesty Government of Nepal, "Village Panchayat Act, 1962", in *Collection of Nepalese Laws*, Part 2, (in Nepali), Ministry of Law and Justice, Kathmandu, Legal Books Management Committee, 1983, pp. 6-42.

<sup>5</sup>His Majesty Government of Nepal, "Decentralization Act, 1982", in *Collection of Nepalese Laws*, Part 2, 1983, *Ibid.*, pp. 198-215, (in Nepali); Kathmandu, Legal Books Management Committee, Ministry of Law and Justice.

<sup>6</sup>LCTR, "Urban Development Through Nagar Panchayat", Unpublished report, Kathmandu, Language, Culture, Training and Research Centre, GTZ-Bhaktapur

## FINANCE

The major sources of revenue/income for NP can be broadly classified as locally raised revenue and non-local revenue. The followings constitute the funds of NP: revenue, fee and tariff collected according to the Town Panchayat Act;<sup>7</sup> earnings from NP property; amount raised by way of tender awards; and donation or grants obtained through the government or other individuals and institutions. The NP can collect revenue, fee, tariff, etc., on the following items: all houses and shops; business and professional enterprises; education tax and vehicle tax; octroi tax for goods passing through NP areas; fee in schools other than those in free and compulsory primary schools; building permits and valuation of any property. tariff on public utilities like water and electricity; and fee on temporary shops erected on the occasion of religious festivals and fairs. With the approval of the government, a NP can also collect the "Panchayat Development and Land Tax" (equivalent to property tax) for the purpose of spending on approved projects, as per the provisions of the Decentralization Act, 1982. The NP can also raise some loans to finance developmental works.<sup>8</sup>

In general, the towns in the Terai have a better financial position than the towns in the hills. However, the NPs have relied heavily on indirect taxes rather than on direct taxes this may have serious equity implications. Grants from the Central Government constitute a bulk of total revenue for most urban governments. For example, it varied from eight to 46 per cent in Bhairahawa (1980-83), about 50 per cent in Banepa (1982), and from nine to 39 per cent in Tansen (1980-83).<sup>9</sup> For most NPs, the octroi tax is a major source of revenue. Its share in the total revenue varied from 46 to 74 per cent in Bhairahawa (1980-83), to 63 per cent in Bhaktapur (1983), while its share in the locally levied revenue was as high as 89 per cent in Banepa (1982). Vehicle and commercial taxes constituted between 10 and 15 per cent of the total revenue. The rental income from NP property is insignificant. In Nepal, urban property taxes are not administered by the NPs; they are directly handled by the Department of Tax under the Ministry of Finance. Even the provision to levy the "Panchayat Development and Land Tax" is usually confined only to rural local governments.

From the above discussion, it is clear that most of the urban local governments have a weak resource base, they depend heavily on Central Government grants, and local revenue generation capacity is extremely

<sup>7</sup>His Majesty Government of Nepal, "Town Panchayat Act, 1962", in *Collection of Nepalese Laws*, Part 2, 1983, (in Nepali), *op. cit.* pp. 82-111.

<sup>8</sup>His Majesty Government of Nepal, "Decentralization Act, 1982", *op. cit.*, pp. 198-215.

<sup>9</sup>LCTR, *op. cit.*, pp. 77-80.

limited. The absolute size of the total annual revenue is also very low. For example, it was between \$ 14,000 and 65,000 in Bhaktapur (49,000 inhabitants), \$ 83,600 in Banepa (15,000 inhabitants), between \$ 72,8000 and \$ 1,32,600 in Tansen (13,000 inhabitants), and between \$ 1,66,500 and \$ 3,65,300 in Bhairahawa (31,000 inhabitants) during the 1980-83 period.

The major problems on financial matters have been: (i) plans are made on a preliminary assumed budget, but the actual budget received is usually always lower and arrives late; (ii) inability to exploit the loan raising capacity due to limited opportunity as well as due to bureaucratic process; (iii) the ceiling on all fees, rates and tariffs to be charged by NP are specified by the government, and the government can also reduce any charges imposed by NP or ask it not to collect any charges in specific items in the general public interest; (iv) the wards are allocated equal amount of central grants irrespective of the population size or the approved NP plans in a ward; and (v) the grants by the Central Government for allocation to various towns are made on *ad hoc* basis rather than on scientific basis of the towns' size or population or the stage of development. With low revenue base, uncertainties in the central grants, and handling of some of the infrastructural works by the para-statal agencies, (e.g., electricity and water supply), the capacity of the NPs to deliver an array of urban services is rather weak. The overall situation is the usual inadequacy of all essential physical, social, and recreational services and amenities in almost all towns of the country.

#### PLANNING

The Decentralization Act of 1982<sup>10</sup> and the 1984 Rules<sup>11</sup> provide far more autonomy to both the District *Panchayat* and Town/Village *Panchayat* in the planning and implementation of their annual projects. The 'Decentralization Policy' not only affects the NP, but also each ward is involved in the planning process.

#### *The Planning Process*

In the formulation of the Town Development Plan, each NP will need to formulate a long-term periodic plan for the development of its town area. Based on this long-term periodic plan, it will need to formulate its annual plan for the following fiscal year. This annual plan should incorporate all the plans of each ward for which committees could be established. The NP can constitute a Town Development Plan Formula-

<sup>10</sup>His Majesty Government of Nepal, Decentralisation Act 1982, *op. cit.*

<sup>11</sup>His Majesty Government of Nepal, "Decentralization Rules, 1984", *Nepal Gazette* [Supplement 26(a)], part 34, dated September 2, 1984, (in Nepali), Kathmandu, Ministry of Panchayat and Local Development.

tion Committee under the chairpersonship of the mayor (the PP), which can also include social workers and professional experts from concerned subjects from private or government organizations. This Committee can form sub-committees, if needed. A times schedule has been laid out in the Decentralization Rules, 1984 for the ward to present its ward level plans which will have to be vetted sectorially through the CEO. After all other sectorially planned projects are included, it is re-submitted to the Committee, and then Draft Plan is prepared. This Draft Plan will be put up to the NP and approved or amended and put up to the Town Assembly, and after final approval, sent for inclusion to the District *Panchayat* Plan. Copies of the Plan are also sent directly to the MPLD, National Planning Commission (NPC), and also to the Town Plan Central Coordination Committee.

#### *Major Planning Problems*

The followings can be identified as the major problems as far as the planning aspects of the local governments are concerned :

1. Lack of clear-cut definition of urban area gives rise to a number of planning problems, such as: (i) jurisdictional problems, i.e., the development outside the municipal boundary is difficult to regulate; (ii) with under-bounded urban areas, its revenue base shrinks; and (iii) it burdens the urban government for providing and maintaining urban infrastructure in the peripheral areas.
2. Although, the Seventh Plan (1985-90) has a chapter on Housing and Urbanization Policy,<sup>12</sup> it is in the sketch form only, with the result that there is no clear "National Urbanization Policy" as such. Therefore, the role and function of a town in the hierarchy of urban system in the country has remained undefined.
3. There are a number of sectoral agencies functioning in urban areas whose capital improvement programmes have not been able to be effectively coordinated and synchronized at the local level.
4. The NPs have acute shortage of technical manpower and finance to formulate plans and implement them.
5. The institutional base of planning has been largely insufficient, and the conflicting provisions in many legal documents have given rise to a number of uncertainties and overlapping roles and functions among various agencies. Although the Department of Housing, Building and Physical Planning prepares physical development plans for urban local governments (because of lack of expertise and resources with the municipalities), this practice comes in serious conflicts with the provisions of the Town

<sup>12</sup>National Planning Commission, *The Seventh Plan 1985-90*, Kathmandu, His Majesty Government of Nepal, 1985, pp. 207-210.

- Panchayat* Act of 1962, the Decentralization Act of 1962, and the Town Development Committee Act of 1963,<sup>13</sup> which vest the planning powers either on the local government or on a committee constituted by the Central Government.<sup>14</sup>
6. There is insufficient citizen's participation in the planning process, and often the vested political interests of local leaders distort a plan and make it less technically sound.
  7. Due to the strong linkages of the Village *Panchayats* with the District *Panchayat* in the planning process, quite often the planning efforts of the NPs have been cornered in favour in Village *Panchayats*.<sup>15</sup>

#### PARTICIPATORY PATTERNS

Each of the ward committee members is directly elected by the eligible voters of the ward. The mayor and vice-mayor of the Town *Panchayat* are likewise directly elected by the local residents on the basis of adult franchise. The tenure of the members of the Ward Committee, Town Assembly, and that of the Town *Panchayat* is of five years. Although, there are a few *ex officio* voting members in a NP, and some other officials and/or local people nominated for a specific period of time, the local urban government in Nepal is largely an elective one with a strong mayor type of system.

HMG's policy during the past few years has been to mobilize local resources and involve people in the development process. This is reflected in the planning documents, the Decentralization Act, 1982, and the 1984 Rules, which put great emphasis on people's participation. The 1984 Rules ask the ward committees to work with the ward people in identifying appropriate projects, and then to forward these to the NP for approval. There may be three types of ward level projects.

The first category of projects and their selection are those demanded by the people. The formation of appropriate user groups and the mobilization of support for the project from the people and other agencies is the first major project selection criterion for the ward level projects. The next category of projects are the basic functional type (primarily of a maintenance nature), and the third category of projects

<sup>13</sup>His Majesty Government of Nepal, "Town Development Committee Act, 1963", in Regmi Research Pvt. Ltd., "Town Planning and Regional Development", *Nepal, Miscellaneous Series*, Vol. 10/79, cyclostyled copy, Kathmandu: Regmi Research (Pvt.) Ltd., 1979, pp. 1-4.

<sup>14</sup>B.P. Acharya, "New Planning Wine in Old Legal Bottles? Institutional Set-up and Legal Resources of the Development of the Regional Centres in Nepal," unpublished M.Sc. Thesis, Bangkok, Asian Institute of Technology, 1985, pp. 197-198.

<sup>15</sup>Ibid., p. 156.

are those for which special requests and support have to be made.

In actual practice, there has been very little direct public participation in the affairs of the urban government. The participation has been mostly indirect in nature which is done through the representatives. The deliberations in the NP or in the Town Assembly are not open to the public or the press. Usually the people find it very difficult to approach the responsible officers or the municipal mayor (especially in larger municipalities) to express their complaints. In this respect, the ward committees are closer to the people; but they have very little authority, and as such are largely ineffective. Nepalese laws do not contain expressly written provisions to publish the urban development plans and contact the common people for obtaining public objections/suggestions in the preparation of such plans, or to hearing of the appeals in case somebody is injuriously affected by the plan provisions.

In general, people's contact with the municipal authorities or the councillors has been on personal and family relations. It is unusual for the people to form a group and lodge a joint petition about the inappropriateness of the services delivered by a Town *Panchayat*. In a few occasions, the people have been mobilized by the *Panchayats* or class organizations to show support for achieving some political gains, e.g., participation in a *Puncha Rally*. This being the situation, the autonomous public participation is a rare phenomenon in Nepal. The people are also mostly ignorant of the activities of the urban governments because the municipalities as such do not usually make efforts to disseminate the relevant information for the public knowledge. The *Panchayat* being a 'partyless system', political parties are officially non-existent with the result that this type of channel open for popular participation, as is available in other democratic countries, such as India, is not available in Nepal. Voluntary associations or even professional associations are not very active in Nepal. However, some of the interest groups, such as the businessmen, the contractors, the real estate developers, and the elites (upper-middle and rich classes), often have both formal as well as informal access in the decision-making process.

#### GENERAL TRENDS IN SERVICES DELIVERY

Following the establishment of a democratic set-up after the collapse of the Rana regime in 1951, Nepal embarked upon planned pattern of development with the launching of the First Five-Year Plan (1956-61). The first three plans were geared mostly to establishing infrastructural framework in sectors, such as transport, communication and power, on which to base further development efforts on other sectors. Although transport and communication were accorded top priority in the formulation of the Fourth Plan (1970-75), the agriculture and the industry

sectors soon received concentrated attention with the result that in the Fifth, Sixth and the Seventh (1985-90) Plans, the agriculture sector was given the top most priority. This is well justified because the country is heavily dependent on agriculture in which almost 94 per cent of the active population are engaged in producing about 60 per cent of the gross domestic product.<sup>16</sup>

#### *Agencies Delivering the Services*

As far as urban areas are concerned, in the recent past, greater attention have been put on the following service sectors: education, drinking water, roads, health, and electricity supply. However, except for primary education, some minor road net-work and water supply in a few towns, almost all of these services are provided by either the line agencies or public utility undertakings. To cite one example, in the Seventh Plan, all urban roads development in the Kathmandu Valley has been included under the central level project,<sup>17</sup> making it the direct responsibility of the Central Government with only minor role for the local urban governments in the Valley. The electricity supply and the health facilities have not been so far undertaken by the NPs, and except for a few places, the urban water supply is handled by the Water Supply and Sewerage Corporation. With the exception of the Kathmandu Valley, organized sewerage system is non-existent in other urban centers of the country. Urban residents and business establishments make their own arrangements for the treatment and/or disposal of the night soil.

#### *Major Problems in the Service Delivery*

In most of these sectors, the achievements have far lagged behind the targets. The three most common problems observed during the Sixth Plan period were: (i) lack of sufficient manpower; (ii) lack of financial resources; and (iii) lack of equipment appliances and construction material resources, and the problems in transporting them in remote areas.<sup>18</sup> It has also been observed that the provision of the services tend to follow the residential locations of the elite and the influential groups (such as, the present and the ex-ministers, politicians, and higher civil servants), especially in the capital and other large urban centers. The lack of inter-sectoral coordination and confusion on the specific roles of various agencies participating in the urban development works, has inhibited an efficient use of scarce manpower and material resources for the delivery of an array of urban services. For example, the same

<sup>16</sup>B.K.C. Ram, *Facts About Nepal*, (Second Edition), Department of Information, His Majesty Government of Nepal, Kathmandu, 1984, pp. 75-76.

<sup>17</sup>National Planning Commission, *The Seventh Plan, op. cit.*

<sup>18</sup>Ibid., p. 804.

service, such as water supply, can be provided by the district unit of a line agency (Department of Water Supply and Sewerage), a Central Government department's special project office, (e.g., a ground water project), public-utility undertaking (para-statal agency, e.g., Water Supply and Sewerage Corporation), Town Plan Implementation Committee (such as, the one in Birranchanagar, Surkhet), the District *Panchayat*, and the municipality. In some cases, the private sector and foreign mission also join hand in this regard, such as the British Camp in Dharan. A brief review of the major plan achievements and problems encountered in the provision of some of the services follows.

#### *Plans' Achievements*

There has been significant achievements in primary education activities. By the end of the Sixth Plan (1980-85), some 78 per cent of children in the primary school going age (6-10 years) were enrolled, and the Seventh Plan (1985-90) target is to increase this figure to 87 per cent.<sup>19</sup> In most of the urban areas, this percentage is usually much higher than the national average. However, some of the major constraints and limitations on the primary education front have been: the inadequacy of physical facilities, the shortage of trained teachers, and a low enrolment of the girl students. The Seventh Plan emphasizes on free and compulsory primary education under the activity of the Town *Panchayats*, which is to begin firstly on an experimental basis in a few selected centers.

The urban water supply also appears to be in a relatively better position with nearly 80 per cent of the urban residents having access to drinking water facilities, compared to the national average of only 22.4 per cent by the end of the Sixth Plan.<sup>20</sup> Besides the three general problems listed earlier, some of the other problems related to urban water supply have been: water supply system not uniformly developed in all urban centres, lack of surface water source nearby to satisfy the needs of a growing urban population, inadequate treatment facilities, leakages in the distribution network, and the poor maintenance of the system. The situation in the Kathmandu Valley is worse with the occurrence of repeated water-borne diseases, mainly due to inadequate treatment facilities and frequently the sewer getting into the water supply system through broken pipes or loose joints, because in many areas the water supply pipes are laid in channels along with the sewer lines. As far as, the sewerage facility is concerned, some 3,13,000 inhabitants in urban areas were estimated to have been benefitted by this facility, but the bulk of it was in the Kathmandu Valley.<sup>21</sup>

Some of the major problems associated with the urban road network

<sup>19</sup>National Planning Commission, *The Seventh Plan op. cit.*, pp. 741-47.

<sup>20</sup>Ibid., pp. 803-804.

are: (i) it is not adequately developed; (ii) most of the roads are not metalled and they lack side drainage; (iii) repairs and maintenance of the existing roads are lacking; and (iv) there is a wide-spread corruption prevailing (mostly in the political circle) in opening up access roads, especially in the residential areas. Public health facilities are very poorly developed in the country. Due to lack of publicity for public health measures and people's awareness to it, most of the people have not paid due attention to personal hygiene. With inadequate water supply, drainage and sewerage facilities, the general environmental cleanliness is unsatisfactory in all urban areas, although as an individual, an urban resident has a better access to medical facilities compared to his rural folk.

#### *Areas Needing Urgent Attention*

Some of the areas in which further improvements are urgently needed can be identified as: primary and secondary education; general health care, public health facilities and general hygiene, with emphasis on personal health and cleanliness; improved and expanded water supply: sanitation, *i.e.*, drainage and sewerage facilities (it can be noted here that public toilets/urinals are almost non-existence in Nepal); garbage collection and disposal (except for the Greater Kathmandu area, where efforts for organized garbage collection and disposal are made through bilateral aid from the West German Government, this facility is either non-existent or poorly provided in other urban centres); street cleaning (this service is virtually non-existent except for the three municipalities of the Kathmandu Valley); metalling/paving of the major urban roads; provision of public transport system in larger cities such as, Kathmandu, Patan, Biratnagar, Birgunj and Pokhara; sites for social and community space and facilities, such as town bus stop and vegetable markets (which are in a pathetic condition in almost all towns); and parks, playgrounds and open spaces (which are very poorly distributed, if not absent altogether in virtually all urban centers). Most of the items on the above list of service sectors needing urgent attention can generally be handled by the respective municipality without requesting the Central Government for additional financial support. Mobilization of public support and participation, and encouraging the private sector to join hand, should prove to be both feasible and desirable in the delivery of the much needed services and facilities.

#### CONCLUSIONS

This brief outline of the urban government system in Nepal illustrates the deliberate efforts of the government towards implementing decentralization policies. Although, the Decentralization Act of 1982 provides greater autonomy to the local *panchayats* for decision-making process

in the formulation, implementation and evaluation of local level development projects, and in mobilizing local resources for these purposes, experience to date have been far from satisfactory. Thus, the capacity of the NPs in delivering an array of essential urban services have been extremely weak. In other words, the Town *Panchayats* have neither played significant role in urban development nor been able to perform their allocated functions effectively.

Some of the more prominent factors responsible for the inadequate performance on the part of Town *Panchayats* in the delivery of services have been: their weak resource base (lack of manpower and resources, and limited revenue generating capacity), heavily dependent on central grants, inability of the Deenralization Act to distinguish between urban and rural development, multiplicity of agencies participating in urban development works, legal and institutional hindrances leading to the failure in coordinating the development activities of the sectoral agencies, and lack of general public awareness and inadequate public participation in various aspects of local development. It may be pointed out that some improvements in the working of urban governments for delivering the services can be made by re-vitalizing the NPs for taking greater interest in these tasks by mobilizing local resources, encouraging public participation, and obtaining the help of the private sector in the development process. □

# *Local Government Budgetary Policies and Social Services' Administration in Austere Times, Nigeria*

ADEDOKUN JAGUN

AT THE local government level in Nigeria, the problems attendant to the provision of social services have always remained with us. Although local authorities expend public funds annually, the impact of such expenditure is hardly felt or noticed in terms of available social services. Now in the face of dwindling economic resources the basis of social services is being questioned.

The recent pronouncements of policy-makers have tended to be predicated upon the assumption that there is considerable wastage in social services' provisions, hence, attempts are continuously being made to reduce some services. While it may be true that some sort of economic wastage is attendant to social services' provision, studies are few on the particular wasteful components.<sup>1</sup> Are the escalating and prohibitive costs of local government work directly caused by the social services components?

The position taken in this article is that the costs of social services *per se* are not responsible for the financial insolvency of most local government. In the light of this position, this article examines the intra-distributional aspects of social services' expenditure using the budgetary estimates of some local government councils. Such an examination assists

<sup>1</sup>Aliyu has confirmed in a paper that local government councils in Bauchi and Kaduna States overemphasizes administrative functions. See A.Y. Aliyu, "Local Government and the Administration of Social Services in the Northern States of Nigeria—The Impact of the Local Government Reform", in D. Olowu, (ed.), *The Administration of Social Services in Nigeria: The Challenge to Local Government*, Local Government Training Programme, Ile-Ife, 1980. Similarly on Lagos and Kaduna local government councils see also, A. Jagun, "The Personnel Structure and Statutory Functions of Local Government in Nigeria: Some Issues in the Administration of Social Services for Development", Paper presented at the *National Conference on the Role of the Administrator in Development*, Institute of Administration and Extension Services, University of Benin, 1985.

in identifying the budgetary emphasis of each local government. The major questions to be addressed are: Are local government councils actually utilizing the bulk of their expenditure for social services' provisions? What are the implications of current and past local government budgetary policies for social services? In order to provide a basis for these questions, the nature of social services and the role of government in its provision is discussed.

This article is not addressed to the issue of which group enjoys what type of services, but rather to the analysis of expenditure on social services.<sup>2</sup> The level of expenditure for a particular service, thus, becomes reflective of the output or outcome of that service.<sup>3</sup> The priority which a local government accords a social service is reflected in the level of expenditure for such a service. The primary concern of this article is with the intra-service aspects of local government budgetary policies, *i.e.*, the relationship between the component parts of the expenditure for each type of service. The question becomes not only how much is being expended in the provision of a specific local service in comparison with others but also which items within the budgetary allocation are attracting what level of expenditure.

Another premise of this article is that the administrative<sup>4</sup> and extra-administrative costs of local government are primarily responsible for the astronomical costs of running local government. Consequently rather than specifically reduce social services' provision, the administrative personnel of local government should be reorganised and less emphasized. Inasmuch as the purpose of local government is not administration *per se* and the purpose of local government administration is the efficient provision of social services, this position becomes tenable.<sup>5</sup>

<sup>2</sup>K. Newton and L.J. Sharpe, "Local Outputs Research: Some Reflections and Proposals", *Policy and Politics*, Vol. 5, 1977, pp. 61-82.

<sup>3</sup>N.T. Boaden, *Urban Policy Making*, Cambridge, Cambridge University Press, 1971; also R.V. Nicholson and N.T. Topham, "The Determinants of Investment in Housing in Local Authorities: An Econometric Approach", *Journal of the Royal Statistical Society, Series A*, Vol. 134, 1971, pp. 273-320; J.E. Alt, "Some Social and Political Correlates of County Borough Expenditures", *British Journal of Political Science*, Vol. 1, 1971, pp. 49-62; F.R. Oliver and J. Stanyer, "Some Aspects of the Financial Behaviour of County Boroughs", *Public Administration*, Vol. 47, 1969, pp. 169-84.

<sup>4</sup>Administration serves as a means (or facilitator) towards the achievements of the purpose of local government, see A. Jagun, *op. cit.*

<sup>5</sup>Hence this paper is based upon the efficiency services concept of local government. For further discussion on this concept and its relation to the purpose of local government, see R.F. Ola, *Local Administration in Nigeria*, London, Kegan Paul, W.J.M. Mackenzie, "Theories of Local Government", *Greater London Paper Series*, London School of Economics and Political Science, 1964.

## II

Before discussing the role of government in social services provision, it is proper to examine the meaning of such services within the context of this article. What then are social services? Using the descriptive base as a point of departure, social services are in general aimed at the maintenance and improvement of the quality of life of the people. Hence they have a social purpose. Such a purpose may be related to the regulation of individual rights in the community or community control and regimentation. The welfarist nature of these services precludes local governments from levying economic rates on users.

Social services provided by local government in Nigeria may be classified into three budgetary groups. The first category are those services which are purely expenditure-oriented, the second group are those services which primarily generate revenue and the third group are social services which entail both the expenditure of funds and the generation of revenue. Social services which are both expenditure and revenue oriented are prevalent in local government budgetary policies. The fact that the expenditure on these services often exceed the revenue accruing from them is indicative of their social nature. The costs of providing social services are more often than not in excess of the token fee paid for such services by clients. But as indicated earlier the benefits are derived in the social purpose of these services.

In addition to the preceding budgetary classification, social services may be identified according to the clientele to which they are directed. Such *clientele* may be: (1) that comprising of individual private citizens, (2) private or not-for-profit organisation groups, and (3) commercial organisation or individual entrepreneurs. Within this context any service which attracts a subsidy from government is regarded as a social service. Thus the traditional conception of the poor as the sole recipient of social services cannot hold. All citizens therefore are beneficiaries of social services, although the degree of need or utility may vary from individual to individual. Let us now attempt to identify these services.

The first form of social services is those which may be regarded as public responsibility. These services are traditionally the prerogative of government; they fall under the description of services meant to enhance communal political existence. They regulate interaction necessitated by political co-existence. Consequently they cannot but be provided by government. They are herein referred to as 'public-change services'. Such services are akin to those responsibilities of government identified by J.S. Mill which "are of value to society, and yet exceed the resources of private individuals, who in any case could scarcely expect to derive a profit from their provision."<sup>6</sup>

<sup>6</sup>J.S. Mill, *Principles of Political Economy*, Longmans, 1871, pp. 576-603,

Examples of these social services<sup>7</sup> are:

1. Construction and maintenance of public roads, streets; motor parks; markets; slaughter houses; public cemeteries, parks and gardens; public conveniences; public libraries.
2. Control of vermin, hoardings, advertisements, grazing grounds, destitutes and beggars.
3. Collection of revenue from vehicle parking; property and other rates.
4. Licensing and regulation of sale of liquor; bake houses, laundries; bicycles; and handcarts except mechanically propelled vehicles.
5. Information and public enlightenment.

The other form of social services are those which may either be provided by local government, any organisation or individual financially capable of providing it for himself. Such services are herein called "quasi-public charge services".

The two major types of these services are:

1. Health provision, and
2. Education.

By nature these services are:

1. human development oriented;
2. often directed at individual client as opposed to group;
3. directly related to the quality of life; and
4. when privately provided, qualitatively related to economic capability of client.

Based on the preceding budgetary and clientele basis for classifying social services and the nature and form of services identified, the following social services are emphasized in this article—Health, Education and Public Works.<sup>8</sup> While, Health and Education represent 'quasi-public services,' Public Works fall under 'public charge services.'

### III

Ever since Luther Gulick<sup>9</sup> developed the four competing principles of

<sup>7</sup>Federal Republic of Nigeria, *The Nigerian Constitution*, 1979.

<sup>8</sup>These social services consume the largest chunk of local government expenditure all over the country, hence they are most appropriate for the analysis of the type attempted in this article.

<sup>9</sup>Luther Gulick, "Notes on the Theory of Organisation", in L. Gulick and L.F. Tintnick (ed.), *Papers on the Science of Administration*, New York, 1937,

organisation around which government work revolves, a clearer view has emerged about the particular principle that should be emphasized. Gulick noted that the work of government is organised around the following principles:<sup>10</sup>

1. the purpose served by the organisation;
2. the process employed;
3. the person or things dealt with, (*i.e.*, the clientele); and
4. the area covered.

According to Gulick all these four principles in varying degrees impact government work, but the "purpose principle" should be the dominant factor in any organisation. In this regard all government agencies should consider what Self calls the major purpose or major function as the basis of their primary existence. All other principles upon which government work is organised serve as the means through which the major function/purpose may be realised. Consequently if an agency begins to emphasize the process (*i.e.*, administrative machinery) through which it operates, it is indicative of organisational misdirection of efforts. Similarly neither should clientele *per se* nor the geographical area covered predominantly determine the work of an agency. Now that we have a conception of what government work should emphasize, let us take a look at why social services should be the prerogative of government.

The primary responsibility of government is the guarantee of the good life to its citizens. Towards this end, those services which are a *sine qua non* to the development of human potential are understandably the prerogative of government in every nation. Gill (who even professes not to have faith in the welfarist approach upon which this article is based) describes this prerogative of government as "the development of life-sustaining and life-enhancing, material and symbolic resources, goods, and services,"<sup>11</sup> in short the improvement of the quality of life in society—this is the social purpose of 'public-charge' or 'quasi-public-charge' services identified in Section II of this article.

Not only are social services the prerogative of government, some studies have shown that they are essential to everyday life and are regarded as important by the public.<sup>12</sup> But even more than this, without the provision of social services the purpose of government may not be reasonably felt at the local level. Hence for political as well as economic

<sup>10</sup>For a detailed discussion of these principles, see Peter Self, *Administrative Theories and Politics*, London, Alen & Unwin, 1979, pp. 55-65.

<sup>11</sup>David Gill, *Unravelling Social Policy*, Mass: Schenkman, Cambridge, 1976, p. 25.

<sup>12</sup>G. Antunes and K. Mladenka, "The Politics of Social Services and Service Distribution", in L.H. Masotti and R. Lineberry (eds.), *The New Urban Politics*, Mass: Ballinger, Cambridge, 1976, pp. 147-60.

development<sup>13</sup> the provision of social services by the government becomes important.

The basis of social services finds antecedents in welfarism and the responsibility of government to the citizen. Such a responsibility makes mandatory the creation of an environment within which the attainment of the highest level of potential by the individual citizen may be guaranteed. The provision of social services is one major form of expression of this responsibility thrust upon the modern nation-state.<sup>14</sup> Without an adequate level of these services, the quality of life cannot be improved appreciably; without an improved quality of life, the good life and the attainment of human potential become a ruse. In this regard public policy directed at these provision of social service "aims at a continual reform of society in order to eliminate weaknesses of individuals or groups in that society. In its progressive realization it assists weak people, prevents weakness, and constructs or ameliorates good situations."<sup>15</sup>

Although various levels of government provide in one form or another social services but the local government represents the level at which such services becomes the major functions.<sup>16</sup> Thus local government implements the broad policies of the Federal and State government through the delivery of services at the local level.<sup>17</sup> In the developing countries in particular almost all services have to be provided by the government owing to the relatively low economic resources of citizens. The centre traditionally concerns itself with larger issues of "maintenance of the unity of the State, with law and order and the collection of

<sup>13</sup>It should be noted that development referred to here is not areal *per se* but rather both human and physical. Thus the improvement of the quality of life of people in a specific locality becomes the major function of a local government.

<sup>14</sup>Which represents a form of distribution of wealth. For the origin of this concept and the writings of evolutionary socialism see in particular, Bernard Shaw, Sidney Webb, Graham Walls, et. al., *Essay in Fabian Socialism*, Fabian Society, 1980; also see the authoritative account of Edward R. Pease, *The History of the Fabian Society*, Fiffield, 1916. In John Stuart Mill's words: "a state ought to be considered as a great benefit society, or mutual insurance company, for helping . . . that large proportion of its members who cannot help themselves". This line of thinking permeates Mill's later writings, see *Dissertations and Discussions*, 2nd edition, Longman, 1975. See also E.O. Awa, "Administration of Social Services", in D. Olowu, *op. cit.*, pp. 25-32.

<sup>15</sup>J.A. Ponsioen, "General Theory of Social Welfare Policy," in J.A. Ponsioen (ed.), *Social Welfare Policy—Contributions to Theory*, Mounton & Co., The Hague Netherlands, 1962, p. 18.

<sup>16</sup>L. Rowland and S. Humes, "The Functions of Local Government", in A. Adedeji, (ed.), *The Future of Local Government in Nigeria, The Report of the National Conference on Local Government*, University of Ile-Ife Press, Ile-Ife, 1969.

<sup>17</sup>Barbara Webster, "The Distributional Effects of Local Government Services", in S. Leach and J. Steward (eds.), *Approaches in Public Policy*, Allen & Unwin, London, 1982.

revenue"<sup>18</sup> among other functions.

The 'localness' of social services dictates their provision by local government. Thus these services are based upon the needs of particular groups often with spatial particularities; and inasmuch as needs do differ in space (owing to variations in the socio economic and political status of groups) it is expected that the emphasis and types of services provided in different localities would be dissimilar in form. For instance the types of social services needed by a community with predominantly low-income population, absence of public water supply and minimal level of infrastructural facilities would differ from that of a locality with higher socio-economic group and more than adequate infrastructural facilities. In the light of this the local government becomes the most appropriate level at which social services are provided by the government.<sup>19</sup>

#### IV

As mentioned in the preceding section owing to the wide variations in the socio-economic groupings of Nigeria and the subsequent differing needs attendant to these variations, local government has become a very important unit of government work. At this level of government most social services which touch the lives of the local people are provided. How well local government has lived up to this expectation is the concern of this section.

Since the major function of local government is the provision of social services, one would expect to find their budgetary policies primarily emphasizing this function. As noted in the first section of this article, budgetary allocation to particular services is a reflection of the priority of a local government. Some of the questions to be raised in this section are: what aspect of work is emphasized in the budgetary policies of these local governments? What may be responsible for the budgetary policies and practices identified?

In Lagos State the local government councils from 1979 to 1982 expended between 56 and 67 per cent of their total budget annually on social services. What this means is that during the four year period examined, the minimum proportion of total local government budget utilized for General Administration was thirty-three per cent in 1979. In 1980 about 44 per cent of all local government budget in the State was used for general administration. It shows that the budgetary allocations for the administration of the council manager's office, finance department, and the general offices exceeded that of public works—a significant social services. In 1980, the total expenditure for administra-

<sup>18</sup>Henry Maddick, *Democracy, Decentralisation and Development*, London, Asia Publishing House, 1975.

<sup>19</sup>Cf. D. Olowu, "Local Government and Social Services Administration in Nigeria: The Impact of Urbanisation", in D. Olowu (ed.), *op. cit.*, pp. 33-45.

tive functions exceeded that of health provision. Thus the budgetary policies and practices of local government councils in Lagos State show that the costs of administration (an aspect of work which is meant to facilitate the provision of social services) often superceded the allocations for social services. This finding may be a stunning revelation for Lagos State but similar patterns have been found in other Local Government councils all over this country.

In Kaduna, Oladosu found that budgetary allocation to social services need to be increased.<sup>20</sup> Also in Bauchi State,<sup>21</sup> all local governments during the 1977-78 fiscal year expended under 30 per cent of their budgetary allocation for the provision of services, in the 1978-79 and 1979-80 fiscal years this proportion increased to about 40 per cent. The pattern of budgetary allocation to social services in the Bauchi State local governments prompted Aliyu to conclude that "most of local government expenditure" was "used in incurring over-head costs" while "paper attention has not been given to the delivery of the social services supposed to have been provided to local citizens."<sup>22</sup>

The budgetary policies of virtually all local government councils in the country show that this unit of government has been and continues to regard administration (which is a *process* through which local services is provided) as if it is its major function or major purpose. But as stated earlier discussions in this article administration is not the purpose of any government—be it local, state or national. In the same breadth the provision of social services is not synonymous with administration; neither is administration the purpose of social services. At best administration is the means through which the provision of social services is facilitated. Distinction must be made between efficient administration *per se* and efficient provision of services. Though such a distinction is seldom seen in the literature, it is crucial to the provision of social services in a tottering economy such as ours. The local government in Nigeria has been overemphasizing the place of administration as if it is the end of local government. Such an overemphasis has led to the relegation of social services to a secondary position in their budgetary policies.

## V

Most countries of the Third World are fond of justifying their disinterestedness in and disenchantment for social services by arguing that such services are 'non-productive'; especially in comparison to the pecuniary yield on public fund invested in industry and commerce; yet such viewpoints are totally misplaced. The benefits accruing from social

<sup>20</sup>S.A. Oladosu, "Urbanization and Social Services Administration in Nigeria: The Case of Kaduna Township", in D. Olowu (ed.), *op. cit.*, pp. 104-119.

<sup>21</sup>A. Aliyu, *op. cit.*, p. 67 (Table 3).

services' provision are not measurable in pecuniary terms alone. The outcomes of social services are in the form of better health, better environment conducive to the well-being of citizens. Broken down further these services are related to indices of quality of life such as infant mortality rate and even life expectancy. The poverty characteristic of Nigeria as well as virtually all Third World countries makes the burden of social services inauspiciously crippling on government's financial resources. In the face of dwindling resources and multiplication of needs for social services, measures which will assist in the better management of these services become indispensable.

It is argued here that the austerity which characterized this period and in turn impinges upon social services' provision in reality has always been with us. The illusion of economic prosperity of the 1970s may be seen in the fact that even during the peak of the oil boom, the majority of Nigeria still lived and wallowed in abject poverty.<sup>23</sup> Economic prosperity in Nigeria in this regard is yet to be. Consequently the measures put forth here are for all times.

Local government councils presently provide social services directed at private citizens and groups. First and foremost, the reconciliation of the level of need of social services with the spatial size of a local government becomes mandatory. Areas which exhibit a high level of need and a high population density spread over a large expanse of land mile (for instance) require a decentralized system of services' provision; whereas those with a fairly concentrated population may be serviced centrally.

It is of utmost importance that local authorities utilize the facilities available for social services to capacity in order to reduce costs. In areas where population is sparsely distributed and level of need is relatively low-statutory provisions should be made for adjoining local government to use idle or less utilized facilities.<sup>24</sup>

Secondly, budgetary allocations for social services should be based on the specific needs of particular local government area and the ability of residents to pay for these services. This position implies that certain social services (*i.e.*, those which are not communal in nature) should only be provided without cost to citizens who cannot afford to pay—unless of course in cases where funds for such services are derived from a public tax-base. In addition, local government should charge economic rates to commercial outfits which enjoy social services. Such commercial units range from roadside shops or kiosks to industrial establishments.<sup>25</sup>

<sup>23</sup>An observation which enhances the economic point of view that the quality of life in a country cannot be derived from aggregated wealth of that nation but rather in the distribution of wealth or income.

<sup>24</sup>Cf. H. Maddick, *op. cit.*

<sup>25</sup>The type of assessment is already beginning to form a major part of the sources of revenue for local government, although the need for an effective means of collection still remains to be met.

The current manner in which grants are allocated to local government should be modified. Federal and State governments should adopt the use of 'categorical grant' as opposed to the current 'block grant' given to local government.<sup>26</sup> Such categorical grant would be tied to specific (categorical) social services. In order to qualify, each local government must be required by law to provide comprehensive plan for the provision of social services. This plan will show the objectives to be achieved by a specific social services; the mode of providing the services; the interrelationship between it and similar services provided by state and federal governments; and the means through which performance may be evaluated. Functional duplication in the provision of social services will in this manner be reduced while coordination amongst levels of government and the responsibility of local bodies will be underscored.

In addition, statutory powers should be given to local government bodies to levy taxes on products which are peculiar to their areas of jurisdiction. A variant of this tax, identified by Maddick,<sup>27</sup> in the Juba province of Southern Sudan, was placed on crocodile skins (owing to the importance of this product in the area). This measure coupled with a more sophisticated means of collecting revenues may assist in expanding the tax-base of local government; and provide financial support for sorely needed social services. Rather than reduce the level of social services arbitrarily without a consideration of the domino effect which such a reduction may create, the federal and state governments need to review the present functions of local government. In doing this, those functions, *i.e.*, services which are more revenue-generating than expenditure-oriented should be emphasized.

While one would readily agree that social services should be provided for citizens who do not have the economic wherewithal, the issue of determining criteria of eligibility ensues. The traditional method of doing this is the use of status and occupation as indicators of income or earnings. This method is faulty, while status and occupation may serve as good indicators with regard to white-collar or blue-collar jobs, they may prove not to be in the case of the self-employed. For instance, it is common knowledge in the major cities that the income or earnings of commercial drivers, mechanics, vulcanizers (usually regarded as low-income earners) and citizens privately engaged in the formal or informal sectors of the economy more often than not exceed that of the educated middle-class. But apparent life-styles lead to speculative conclusions about occupational income and earnings. In order to adequately assess individual earnings or income as a means of determining eligibility for social services, better techniques need to be developed.

<sup>26</sup>A. Jagun, "The Origin and Purpose of Local Government and Their Relevance to the Redefinition of Local Government Functions and Organisation in Nigeria", *Journal of General Studies*, December, 1983.

<sup>27</sup>M. Maddick, *op. cit.* p. 135.

In conclusion, it is certain that in a period of economic depression as we are in now, citizens' economic means will become hampered with disastrous consequences on health and general welfare. At this time the need for social services become more prevalent than ever. The number of people requiring such services may literally burst the seams of local government budgets if administrative overhead costs are not pruned down and revenue-base expanded. The solution to the problem of social services' provision lies not in the arbitrary reduction of services but rather in the deemphasizing of administrative component and the redirection of local government budgetary policies. □

## *Determinants of Urban Services in Gujarat—A Preliminary Analysis*

K.M. PAREKH

THE ROLE of Municipal bodies in the urban development planning is very crucial and is widely recognised. In the context of rapidly growing economy and rapid industrialisation—which results in rapid urbanisation, there is a growing pressure for the provision of urban services. The Municipal bodies (Municipalities or Municipal Corporations) are supposed to provide the necessary infrastructure to the urban population which includes provision of basic and supplementary services. The prevailing state of these services is likely to be inadequate as compared to the present demand for such services as well as the likely future demand as a result of rapid urbanisation. However, in view of both these types of demand it becomes essential for municipal bodies to plan for provision of these services.

The necessary infrastructure which Municipal bodies are supposed to provide includes: basic services and supplementary services. Moreover they build up a stock of capital which may help in improving the living standard of urban population residing in municipal areas, as well as the future developmental expenditure.

The studies carried out for Gujarat on the determinants of the Municipal expenditure<sup>1</sup> broadly indicated the important role played by variables such as population, area, government grants, density of population, etc. Moreover they also indicated a marked variation in the Determinants of Municipal Expenditure across different population size classes of cities. Although these studies in their own right are crucial to understand the structure of the Municipal expenditure, they are subject to many limitations. First, while examining the determinants on account has been taken on the stage of development of a particular municipality. Secondly, important variables such as literacy rate, and other demographic factors of the Municipalities are not considered to derive policy prescriptions, for reducing the expenditure and increasing

<sup>1</sup>Glen W. Fisher, M. Determinants of State Social Government Expenditure: A Preliminary Analysis", *National Tax Journal*, Vol. XIV, December 1961.

the revenue. Thirdly, the earlier studies were based on data of very distant past and thus do not provide appropriate guidelines to understand the structural determinants in recent years.

This article seeks to analyse the determinants of municipal expenditure with more recent data for Gujarat. To be specific this article takes into account some of the limitations inherent in the earlier studies and examines the major determinants of the municipal expenditure with the sample of 56 municipalities, which includes four municipal corporations.

The objectives of this study are: to examine the structure of the urban services in Gujarat particularly provided by the Municipalities and Municipal Corporations; to highlight the main determinants of present level of these urban services, to provide a framework.

Until recently the studies on the determinants of urban expenditure are confined to developed countries alone. In this context, the study of Fabricant<sup>2</sup> for United States has evoked keen interest amongst researchers on determinants not only in developed countries but also in developing countries. This study has indicated the important role played by the variables like *per capita* income, population, density and urbanisation. Among the three variables considered the per capita income is seen to be the most important determinant. Although subsequent studies for other developed countries have adopted a similar approach, they soon realised the inadequacy of the three variables alone. In their search for relevant variables other variables like population size, wealth, inter-governmental transfers are also seen to be of profound importance in determining the local government expenditures.

The adoption of similar methodology for most of the developing countries like India is constrained by the lack of the availability of appropriate data. In consequence, it is difficult to reconcile with the pattern of explanation for variables considered in analysis for these countries. The study by Sarma and Parekh however could make a modest attempt on the determinants of expenditures of 61 spatial units in India. Although the per capita income could not be taken into account this study has highlighted a marked difference in the choice of variables.

In most of the developing countries industrialisation and urbanisation induce a tremendous increase in the demand for urban services. Because of the industrialisation, migration from rural areas as well as neighbouring areas to the urban areas is seen to be very high; which might result in a high pressure on the demand for urban services. This necessitates

<sup>2</sup>See, Solomon Fabricant, *The Trend of Government Activity in the United States Since 1900*, New York, National Bureau of Economic Research, Inc., 1952. Glen W. Fisher, *op. cit.*

the Local bodies to plan for the provision or services or satisfactory level by considering the future growth of demand for these service.

The choice of determinants for analysis of the expenditure on urban services is rather difficult; and a certain measure of arbitrariness is bound to be present in the selection of variables. However, our past experience suggests that a set of determinants like area, population, density of households, government grants are appropriate in case of All India services of the same type.<sup>3</sup>

#### *Data Sources and Methods of Analysis*

The information on municipal expenditure available with Bureau of Economics and Statistics, Government of Gujarat<sup>4</sup> is the major data base of this study. For the other variables like population, area, growth of urbanisation, etc., we have used the information available from the census office Gujarat region.

The expenditures on following six services provided by municipal authorities are considered for the detailed analysis:<sup>5</sup>

1. Basic services;
2. Supplementary services;
3. Capital formation;
4. Debt servicing;
5. Repayment of loans;
6. Miscellaneous; and
7. Total expenditure.

The reference year for analysis is 1978-79 and 56 municipalities including four Municipal Corporations are considered. The population for the year 1979 is estimated on the basis of the compound growth rate observed during 1971-81.

The dependent and the independent variables considered in this study

<sup>3</sup>See Atul Sarma, K.M. Parekh, "A Two-stage Model to the Determinants of Expenditure of 61 Spatial Units in India", A paper presented at the 3rd Annual Conference of Gujarat Statistical Association held at Surat during 1974.

<sup>4</sup>See, *Statistics of Municipal Towns and Cities, Gujarat, 1978-79*, Government of Gujarat, Bureau of Economics and Statistics, Gandhinagar.

<sup>5</sup>Basic services include: Public lighting, water supply, conservancy and sanitary services.

Supplementary services include: Hospitals; dispensaries and vaccinations; public institutions and grants.

Debt servicing includes: Interest payments to sinking funds.

Capital Formation includes: Total expenditure of commercial enterprises and total capital expenditure of commercial and other enterprises.

Repayment of loans includes: Repayment of Government and other loans.

are as under:

*Independent Variables*

|  |                              |
|--|------------------------------|
| $X_1$ = Population                               | (in '00)                     |
| $X_2$ = Area                                     | (in sq. km., 1981 Census)    |
| $X_3$ = Government Grants + Loans                | (Rs. in '00)                 |
| $X_4$ = Compound Growth Rate                     | (1971-81 in percentage)      |
| $X_5$ = Own Tax Revenue                          | (Rs. in '00)                 |
| $X_6$ = Literacy Rate                            | (in percentage, 1981 Census) |
| $X_7$ = Density of 1979                          | (No. of persons per sq. km.) |
| $X_8$ = Proportion of Non-Agricultural workers   | (1981 Census)                |
| $X_9$ = Age of Municipality at 1979              | (in years)                   |
| $X_{10}$ = Per capita on tax revenue in 1978-79  | (in Rs.)                     |
| $X_{11}$ = Per capita Grants + Loans in 1978-79. | (in Rs.)                     |

All relationships are considered in linear form and the specification of the relationship in brief is as under:

$$i = a + b_1 x_1 i + b_2 x_2 i + b_3 x_3 i + \dots + b_{11} x_{11} i +$$

subscript i refers to municipalities.

The analysis is undertaken for two sets, *viz.*, (a) per capita expenditure, and (b) total expenditure. In case of determinants of per capita expenditure the relevant variables (own tax revenue and grants and loans) are in per capita terms, while for total expenditure these are in absolute values.

In view of the preliminary nature of the analysis we have estimated the relationships for three sets of towns: In the first set, municipalities belonging to 50,000 and above population are included; in the second set, all the remaining municipalities are considered; while in the third set, all the municipalities are taken into account. Such a distinction for the municipalities based on the population size is made to examine the relationship between the size and determinants of the expenditure.

Initially all the independent variables listed above are included in the regression equation. But because of the multi-collinearity problem it became difficult to separate out the influence of the individual variables ( $X$ 's) on the per capita expenditure. In view of this we have applied the stepwise regression procedure, whereby that equation is related

which exhibits statistically most significant estimates. The final results of stepwise regression procedure are presented in Tables 1 and 2.

TABLE 1 DETERMINANTS OF PER MUNICIPAL EXPENDITURE (Y<sub>i</sub>)

| <i>Independent variable</i>         | <i>Municipalities<br/>above 50,000<br/>population</i> | <i>Municipalities<br/>below 50,000<br/>population</i> | <i>All<br/>municipalities</i> |
|-------------------------------------|---|---|-------------------------------|
| Constant                            | 200.5   | -34.54  | 100.59                        |
| Area                                | 0.971<br>(0.08)                                       | 0.911<br>(1.70)                                       | 0.415<br>(1.43)               |
| Density                             | 0.005<br>(1.57)                                       | —   | —                             |
| Age                                 | —   | 0.243<br>(1.97)                                       | —                             |
| Per cent of non-agriculture workers | -2.33<br>(2.02)                                       | —   | -1.234<br>(2.24)              |
| Per capita Tax. Rev.                | 1.730<br>(2.61)                                       | 2.783<br>(7.23)                                       | 2.537<br>(8.39)               |
| R <sup>2</sup><br>(E-Test)          | 0.74<br>(18.74)                                       | 0.75<br>(20.49)                                       | 0.73<br>(45.87)               |
| No. of Observations                 | 31  | 25  | 56                            |

NOTE : Figures in brackets are *t*-values.

All estimates are significant at one per cent level.

#### *Per capita Municipal Expenditure*

It is interesting to note that in all the three cases the R<sup>2</sup> is quite satisfactory. However, in terms of the explanatory variables difference are seen to exist. In the first case, area, density, percentage of non-agricultural workers and per capita taxes are found to be significant determinants of the per capita expenditure. While in the second case, area, age and per capita taxes are found to be significant determinants. In all municipalities taken together, area, age and per capita taxes are seen to be the important determinants. These results thus establish the consistency of area and per capita taxes as important determinants irrespective of size of the municipalities. The density and percentage of non-agricultural workers in large-sized municipalities and age in the small sized municipalities are also seen to be important.

Except the variable relating to non-agricultural workers, all other variables exhibited a positive influence on the per capita expenditure. Moreover, the influence of area on per capita expenditure seems to be invariant across the two sized classes of municipalities. A sq km area

TABLE 2 STATISTICAL RELATIONS BETWEEN TOTAL EXPENDITURE ( $Y_i$ ) AND AREA, POPULATION, OWN TAX REVENUE BY DIFFERENT SIZE CLASSES OF MUNICIPALITIES IN GUJARAT FOR 1978-79

| Sr.<br>No.               | Dependent variable                                    | No. of<br>observations | Constant | Coefficients of Independent Variables |                     |                   | $R^2$ | F-Test  |
|--------------------------|---|------------------------|----------|---------------------------------------|---------------------|-------------------|-------|---------|
|                          |   |                        |          | Population                            | Area                | Own Tax Rev.      |       |         |
| <i>Total Expenditure</i> |   |                        |          |                                       |                     |                   |       |         |
| 1.                       | Class I Municipalities (More than 50,000 population)  | 31                     | 78279.50 | -376.46<br>(-3.7370)                  | 5952.88<br>(2.4474) | 5.33<br>(8.5415)  | 0.985 | 594.27  |
| 2.                       | Class II Municipalities (Less than 50,000 population) | 25                     | -3098.50 |                                       |                     | 2.8477<br>(6.82)  | 0.67  | 46.53   |
| 3.                       | Total<br>(All Municipalities)                         | 56                     | 45413.52 | -302.37<br>(-4.72)                    | 4293.96<br>(2.70)   | 4.8961<br>(12.13) | 0.98  | 1100.61 |
|                          | <i>t-value</i>  |                        |          |                                       |                     |                   |       |         |

NOTE:  $t$  and  $F$  values are significant at one per cent level.

increase approximately leads to a one rupee increase in the per capita total expenditure. Nevertheless, the differential effects of per capita tax revenue across the two sized classes on the per capita expenditure are noticed to exist. A rupee increase in per capita taxes induces Rs. 1.70 increase (in per capita expenditure) in large sized municipalities and Rs. 2.80 increase in small sized municipalities. These results seem to be consistent in view of the fact that the large sized municipalities are well developed with respect to infrastructure facilities because of which their per capita expenditure will be lower than the small sized municipalities.

In all the cases the influence of per capita taxes on the per capita expenditure is seen to be predominant. The regression coefficient of the area is seen to be stable (around 0.9) over the two size classes of municipalities, while its co-efficient in the overall regression equation is found to be different, yielding a value of 0.41. This result may appear to be paradoxical. It seems that because of the arbitrariness in the aggregation of the municipalities, the estimated influence of this variable (area) may not indicate its true influence. For analysing this aspect it is desirable to group the municipalities by taking area as one of the indicators and examine the pattern of relationships.

#### *Total Expenditure Analysis*

A close look at Table 2 suggests that  $R^2$  is quite satisfactory for Class I Municipalities, Class II Municipalities and All Municipalities. Though differences seem to exist among the explanatory variables, it is interesting to note that Population, Area and Own taxes are significant determinants of the total expenditure of large as well as all municipalities while for class II Municipalities (*i.e.*, having below 50,000 population) only own tax revenue seems to be significant determinant of total expenditure of large as well as all municipalities while for class II Municipalities (*i.e.*, having below 50,000 population) only own tax revenue seems to be significant determinant of total expenditure the important determinants of the total expenditure of Municipalities. Thus the results clearly suggest that own tax revenue seems to be the consistent determinant of total expenditure irrespective of size class of municipalities while in large sized municipalities population and area are also important determinants of the expenditure. When all municipalities are taken into account the results are more akin to those obtained for large sized municipalities which indicated their importance in the structure of municipal government of the state.

So far the sign of influence is concerned, own tax revenue and area have positive and population has negative influence on total expenditure of meaningful bodies. An increase in area by sq km leads to an increase of Rs. 5,953 in the total expenditure amongst the large sized municipalities, while in the case of all municipalities the increase in the

total expenditure by Rs. 4,294. Moreover, the differential effects of own tax revenue across the two sized classes on the total expenditure are observed to exist. A rupee increase in the own tax revenue indicates an increase by Rs. 5.33 in total expenditure in large sized municipalities, by Rs. 2.85 in smaller sized municipalities relative to increase in total expenditure and by 4.90 in case of all municipalities. It may be noted here that a negative relationship is exhibited between variables relating to population and total expenditure in larger sized municipalities and for all municipalities also. This result seems to be consistent with the result of exercise for per capita expenditure.

The results suggests that in the case of large size municipalities the increase of Rupee one in own tax revenue enables, the municipality to increase its total expenditure by Rs. 5.33, while in categories of smaller size and all municipalities the corresponding figures are Rs. 2.85 and Rs. 4.90 respectively.

#### CONCLUSION

The results of this study are quite encouraging and seem to suggest that economic and demographic variables play a very important role in determining the total and per capita expenditures. Thus, any policy to increase or decrease the per capita expenditure should not be on an arbitrary basis. In this sense the results of the study provide some guidelines to determine the level of per capita expenditure; more so since the evidence clearly is indicative of differential determinants across the municipalities certified in terms of population. Thus the policy options would differ across the size classes. We hope, a similar analysis for the individual services would throw further light on the appropriate allocative mechanism of the municipal expenditure. □

# *Urban Traffic Management in Delhi*

GIRISH K. MISRA

**O**WING TO rapid urbanisation coupled with rural exodus the volume of traffic has multiplied resulting in problems of traffic management in Delhi metropolis. The problem has aggravated due to lack of proper planning and inadequate financial resources to meet the traffic requirements. Although, there are no readymade solutions to these problems but some measures like traffic restraint, road construction and traffic management can be suggested to minimise their ill-effects. In this article an attempt is made to achieve the twin objectives of a good traffic system, viz., (i) smooth flow of traffic; and (ii) prevention of road accidents through the adoption of better short-term and long-term management practices.

## TRAFFIC MANAGEMENT

Traffic management in simple terms is the exercise of control on the use of roads so as to obtain their best use in the common interest. In the past, the best use of roads was synonymous to increasing capacity of roads and junctions, and adding more number of vehicles to make the traffic run smoothly. However, in the present time, the best use is supposed to be expressed in terms of maximising the mobility of people and goods rather than vehicles in terms of passenger kilometres and ton kilometres, respectively. Also, according to the new concept of traffic management, the emphasis is laid on causing major changes to traffic and minor changes to streets, which is just the reverse to the rudimentary approach followed in the past.

## URBAN GROWTH AND TRAFFIC

Traffic problems in Delhi developed mainly after Independence due to rapid growth of city and manifold increase in its population. In 1947, there was a population of about eight lakh which rose to 36.50 lakh in 1971 and according to 1981 Census, the population of Delhi was over 62 lakh. Besides the population of Delhi city, there is a floating

population of five lakh coming to Delhi every day and going back in the evenings to neighbouring towns. The vehicle population of Delhi city in 1947 was about 9,000. This has now gone up to about six lakh. Every year about 50,000 vehicles are registered with the Regional Transport Office.

During the period 1972-75, the growth rate of vehicles in Delhi was 45.29 per cent as against 6.2 per cent, 8.37 per cent and 10.64 per cent in Bombay, Madras and Calcutta, respectively. The number of persons per vehicle works out to 10.69 in Delhi as against 46.2 in Calcutta, 24.2 in Bombay and 54.98 in Madras. In addition to this, Delhi has 124 per cent and 39 per cent more motor vehicles than Calcutta and Bombay, respectively. Although the number of vehicles on roads has gone up in Delhi but it is unable to cope with the increasing traffic demand. It is estimated that there were only 27,000 motor vehicles in 1957 which rose to about 4.3 lakh in 1977 and over eight lakh in 1984. The projections reveal that Delhi metropolis will attain the status of megalopolis by the turn of the century with more than 1.2 crore population. The vehicle population is reported to be nearly 13 lakh this year. The number would increase to a stupendous 44 lakh by the year 2001. Simultaneously, there will be a big leap in the number of cycles, cycle rickshaws and animal driven vehicles.

#### TRAFFIC FLOW

The roads of Delhi have been improved and widened to a great extent. But the increase in the number of vehicles has further made these roads incapable of accommodating the vehicles especially during peak hours. A survey of traffic volume and peak hour flow conducted by the Town and Country Planning in the year 1973 revealed that Aurobindo Marg, Sardar Patel Marg, Patel Road, New Rohtak Road, Alipur Road and Dr. Zakir Hussain Marg had higher flow of traffic in the morning whereas on Netaji Subhash Marg, Minto Road, Panchkuian Road and Janpath, the flow of traffic was found to be more in evening.<sup>1</sup> Another study conducted by the Central Road Research Institute in 1963 and 1969 revealed that the travel time on some important roads in 1969 had increased by as much as 50 per cent over the base year 1963.<sup>2</sup> Travel time between 1963-69 increased by 20 minutes on Netaji Subhash Marg and Rani Jhansi Road. The increase in travel time was to the extent of 15 to 17 minutes on Desh Bandhu Gupta Road, Qutab Road and Swami

<sup>1</sup>Town & Country Planning Organisation, "Delhi Urban Areas, Mass Rapid Transit System Land Use and Traffic Studies, Mass Rapid Transit System Network 1981", 1973.

<sup>2</sup>Central Road Research Institute (CRRI), *Comprehensive Traffic and Transportation Studies of Greater Delhi*, Vol. XIV, New Delhi, 1971, p. 15.

Shradha Nand Marg. It is, thus, revealed that the flow of traffic has increased to a great extent. Moreover, the width of roads gets further reduced due to lack of parking facilities. The problem of parking is acute particularly in the older congested areas of Old Delhi, Daryaganj, Chandni Chowk, Karol Bagh, Khari Baoli, Sadar Bazar, etc. Many of the roads connecting North Delhi, South Delhi and West Delhi have severe constraints.<sup>3</sup> According to a study of traffic, per volume on Ring Road, Najafgarh Road, G.T. Road, Netaji Subhash Marg, S.P. Mukherjee Marg and Shanker Road was estimated to reach the high level of 8,000-13,000 passenger cars per hour in 1981. According to another study, Patel Road itself was estimated to have daily person trip of 3,87,000 in 1981 if mass rapid transit system is not evolved. These studies highlight the intensity of problem that the city of Delhi must be facing in the present times.

#### TRAVEL CHARACTERISTICS

An analysis of travel characteristics made by Misra and Sarma<sup>4</sup> reveals that 32.87 per cent people walk to their place of employment, 11.31 per cent use bicycle, 1.41 per cent use cycle and auto rickshaws, 4.59 per cent chartered buses, 2.86 per cent private car-scooters and 37.28 per cent use public bus. Only a few travel by employer's transport (0.35%) and train (0.88%). The average trip length is 7.37 km.

In a large number of cases (42.05%), the amount spent on transport is less than five rupees. Among the rest we find 5.3 per cent persons spending Rs. five to 15 per month, 19.08 per cent Rs. 16 to 30, 18.32 per cent Rs. 21 to 60, 7.42 per cent Rs. 61 to 100 and the rest (7.78%) have stated their monthly expenditure to be more than Rs. 300.

The Delhi Transport Corporation has increased its fleet from just a meagre 500 in 1953 to about 3,500 now. The DTC carries nearly three million passengers per day. Though there has been a great expansion in DTC fleet and routes, the services offered has not been adequate both in qualitative add quantitative terms.

#### MASS TRANSPORT

Presently the railways and the buses of the Delhi Transport Corporation provide the two important means of mass transport in Delhi. The chartered private buses have also become quite popular means of trans-

<sup>3</sup>Sub-Group Metropolitan Transport Team Planning Commission, *Report on Transport Development Programme for Delhi*, April, 1973, p. 21.

<sup>4</sup>Girish K. Misra and K.S.R.N. Sarma, *Distribution and Differential Location of Public Utilities in Urban Delhi*, New Delhi, Indian Institute of Public Administration, 1979.

port especially among the economically well-off sections of the commuters.

#### *Railways*

The existing capacity of railways in Delhi and utilization of the existing capacity on 23 railway sections in Delhi is sufficient in number. But actually they are not utilized for the purposes of intra-city commuting. The railway sections in Delhi are excessively utilized by the incoming trains from outside Delhi and the out-going trains both passenger and goods. This excessive utilization leaves little scope to introducing a network of suburban trains.

The Railways also started on October 2, 1975 a circular train running clockwise and another circular train running anti-clockwise on November 1, 1975. These circular trains have a route of 35.30 km and take 90 minutes to complete one circle. There are at present eight circles in 24 hours (4 clockwise and 4 anti-clockwise). The proportion of commuters travelling on railway system is, however, negligible at present. Efforts shall have to be taken to involve the railways in shouldering greater proportion of daily traffic so that pressure on road transport can be lessened. In recent past such efforts have in fact been made and several useful proposals have been put forward to evolve rapid transit system consisting of road and rail systems. These are discussed subsequently after a discussion on the road mass transport.

#### *Delhi Transport Corporation*

Delhi Transport Corporation (DTC) is the single agency for providing the mass bus transport in the whole of the Union Territory of Delhi. The service depots of the corporation are distributed in almost all parts of Delhi. Of 28 depots, four are located in rural Delhi. Among the urban depots, four are located in the Trans-yamuna locality, three on Banda Bahadur Marg (North Delhi), three in Wazirpur (North-West Delhi), three in Hari Nagar (West Delhi), two in Okhla (South Delhi) and one each in Indraprastha Estate, Ambedkar Nagar, Mayapuri, Naraina, Sarojni Nagar, Vasant Vihar, Kalkaji, Raja Garden and Shadipur. All the service depots have a mini workshop and a control room. Besides, there is also a central workshop on Banda Bahadur Marg and a Central Control Room.

There are nine nodal points on the Ring Road, viz., Azadpur, Inter-State Bus Terminus, Indraprastha Estate, Lajpat Nagar, All India Institute of Medical Sciences, Naroji Nagar, Daula Kuan, Raja Garden and Punjabi Bagh (Fig. 1). These are linked to the Central Terminal at the Central Secretariat. Besides, there are also two Sub-Terminals at Karol Bagh and Moti Nagar. The nodal points are linked with each other and the areas under them are also connected with a system of feeder services.

## PERIPHERAL AND INTERMEDIATE TERMINALS

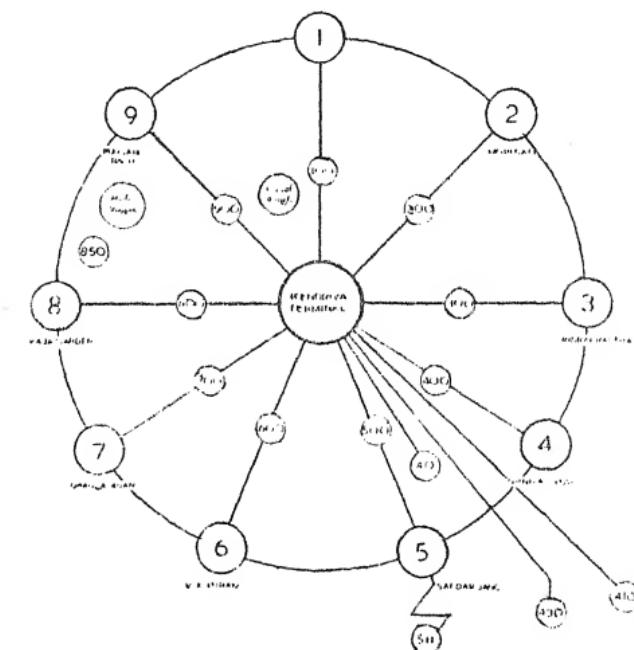


FIG. 1

**NOTE:** The nine peripheral terminals have been given identification numbers one through nine and services emanating from these terminals carry the identification number in the 100th place. Moti Nagar and Karol Bagh are sub-terminals.

The average number of passengers travelled daily by the DTC buses has increased manifold over the years. In 1958-59 the average number of passengers travelled daily was about three lakh. This increased to about 18.30 lakh in April 1977. Between April 1976 and 1977 itself there was an increase of 1.71 lakh passengers. In 1985, the DTC was carrying 39.15 lakh passengers daily.

#### *Mass Rapid Transit System*

Within quick succession two different study groups have placed two proposals regarding the Mass Rapid Transit System (MRTS). Earlier in January, 1975, the Metropolitan Transport Project of the Indian Railways submitted its report to the Railway Board with concrete proposal regarding MRTS in Delhi. Having conducted a detailed study of traffic problems in Delhi and keeping in mind the bottlenecks in the existing

mass public transport as also the future requirements, it was proposed to develop a network of underground and surface rails spread into five phases. It in essence recommended to develop a "network of 99 km of surface corridors running along the existing rail alignments up to the urbanisable limits of Delhi Urban Area and 37 km of two underground transversals interacting each other at Connaught Place". According to the proposed construction schedule, the construction of Phase I (Connaught Place-Rajouri Garden underground corridor followed by Sahibabad-Tughlakabad surface corridor and Minto Bridge—Rajpath section of the IIT and ISBT corridors) was expected to be completed by 1985. The approximate cost of this first phase was expected to be Rs. 384.65 crore and the entire expenditure of the project was estimated to be about Rs. 1,214.47 crore.

But this ambitious projects has been shelved because of two things. First, the Planning Commission disapproved it on the ground of paucity of funds. The project was to wait till funds were available after the completion of the Fifth Five Year Plan. Secondly, the Working Group of the Ministry of Works and Housing, Government of India, which was appointed in April 1976 to prepare proposals for an integrated approach towards developing an efficient and adequate public transport in Delhi submitted its report in September 1977 and presented a scheme of developing a MRTS with a proper coordination of the DTC and the railways involving an expenditure of only Rs. 137.60 crore. The Working Group in essence has recommended to develop a good suburban rail system and also an efficient intra-urban rail-cum-road system. The Group felt that by 1981, mass transportation would move to 60 per cent of the commuters every day. This has to progressively increase to 70 per cent in 1991 and 78 per cent in 2001. Presently mass transportation moves only 41 per cent of the commuting population every day. Even if the fleet strength of the DTC was doubled to nearly 4,000 buses by 1981, it would not have been possible to handle more than 60 per cent of the passenger trips in that year. The Group, therefore, felt that the introduction of the rail system is imperative in Delhi.

#### TRAFFIC PROBLEMS

An analysis of accidents has shown that a large number of accidents are attributable to rash and negligent driving whereas equally large number of accidents take place due to default of the victim. On an average, every day at least two fatal accidents take place in Delhi. The maximum number of people killed in road accidents is of pedestrians.

The problem of traffic becomes alarming due to the mixture of various kinds of fast and slow moving vehicles. This phenomenon is more marked during the peak hours in Delhi. The problem is further aggravated

ated due to a constant competition of the overtaking between vehicles at different speeds. The combined effect of all this gives rise to traffic congestion, traffic jams, inordinate delays, low operational speeds, accidents, parking problems as well as social and economic losses to the community at large.

The movement of pedestrians and capacity of roads are affected by encroachment on roads and footpaths besides other public places and lands. Such phenomenon is most marked in walled city and other parts of old Delhi where it has already reached a saturation point in the form of squatting on footpaths, parking of semi-static vendors' rehris, storage of goods, display of merchandise by traders on footpaths in the front of their shops, stacking of building materials by house builders and others, parking and repairs of cars, scooters, etc. Accidents also take place due to odd growth of shrubs and trees on the roadside. Besides, flooding and stagnation of water make the regulation of traffic and enforcement of laws ineffective.

The encroachment is the outcome of unregulated and indiscriminate issue of *tehbazari* by local bodies. In such a case either no attempt is made to obtain a report from the police or the tardy and ineffective enforcement both by local bodies and the police is ignored. The continuance of the encroachment is, in fact, due to malafide and corrupt motives of politicians and other self-appointed leaders.

The outmoded design of road network in our cities with narrow roads and irregular alignments causes a considerable reduction in the speed of vehicles. Non-segregation of slow moving traffic from the fast moving has also resulted in the reduction of traffic carrying capacity of roads and has created serious problems for smooth traffic movement leading to congestion in most of the areas. Besides, there are objects like advertisements, hoardings, kisos put up by the municipal authorities without permission from the road authorities along various roads and at times too close to the busy road intersections. These result in diverting the attention of drivers and also sometimes come in view of the traffic signals. There is not enough parking space and parking of vehicles on roadsides creates further obstructions in the movement of traffic. A very large number of cycle rickshaws are plying on roads which do not allow speedy movement of automobiles on the roads. As a matter of fact, parking facility as a whole is lacking in Delhi.

#### LACK OF COORDINATION

In the absence of any coordinating agency to watch, guide and channelise the efforts of various organisations engaged in road transport, the problem has become very acute. On the whole, it seems as if all the components of traffic are within the ambit of police; but

it is not true. Following agencies contribute towards the management of traffic in Delhi:

1. The Engineering Department is responsible for planning, construction, maintenance of roads, parking areas and other engineering facilities and traffic control devices.
2. The Directorate of Transport determines the quality of the automobile and its manufacture from the angle of road safety, health of vehicle, etc.

The police department also does not have any hold on the following:

1. Vehicles other than automobiles like tongas, rickshaws, bullock carts, cycle rickshaws, bicycles, trollies, etc.
2. The public transport operators and public other than the drivers;
3. The horticulture department which goes its own way while converting the central verge on roads into green space;
4. Archaeological monuments and density of population; and
5. Licensing of vehicles like cycle rickshaws, horses, bullock carts: licensing of shops, establishments, factories ; the grant of permission by the local bodies to hold markets in public places: the pattern of landuse ; etc.

#### SHORT-TERM AND LONG-TERM MEASURES

The short-term measures would help organise the movement of traffic on the existing network facilities to achieve the optimum utilization of existing transportation facilities, regulation of traffic and enforcement of laws. These measures should aim at the identification of bottlenecks spots and formulation of management schemes to improve safety, reduce delays, eliminate existing capacity deficiencies and obtain a balanced, continuous route flow. These simple engineering and management measures take many forms, such as marginal widening of existing streets, improvements to junctions, segregation of traffic, introduction of one-way street system, pedestrianisation of congested shopping centres, provision of parking facilities and harmonisation of pedestrian movements to avoid conflict with the traffic streams. In addition to such measures, the police should also realise their responsibility to curb the encroachment and unauthorised squatting particularly during odd hours. Education in road safety should also be imparted through the institutions like Traffic Wardens and Road Safety Patrol for maintaining a better discipline on roads.

The second package of schemes would include more expensive capital

works such as fly-overs, large-scale road widening, and construction of new overbridges across railway lines. The recent experience of the Asiad has demonstrated as to how fly-overs, railway overbridges and road widening can improve the traffic flow to a great extent.

While the above short-term measures can give some immediate relief to a Delhi citizen for some time and tide over his problems for the next few years, they are likely to be totally inadequate by 2001. The time has ripened to plan for long-term solutions as they require a careful study, forecasting and analysis to generate appropriate alternative plans. This work needs to be taken up along with the preparation of the next Master Plan for Delhi together with plan for the National Capital Region.

The long-term measures are also needed to guide the development of new facilities to complement the existing ones in future. It is good that one of the desired long-term objectives has already been met by constituting a Traffic and Transportation Coordinating Committee in which representatives of all the concerned agencies like the Directorate of Transport, Traffic Police, MCD, NDMC, PWD, Delhi Development Authority and the Town and Country Planning Organisation, the Delhi Administration have been participating for taking decision on problems of mass transportation system in the capital city and effective improvement in the overall working of the traffic system in the metropolitan city. The coordinating agency can overcome various traffic management problems in many ways. For example, the encroachment problem can be solved by not allowing the service departments like DESU and MCD to lay their services along the roads without permission from the PWD. The service department should also not dump their materials on the roads.

Following are the long-term measures suggested for improving the traffic situation in future:

1. The future growth of Delhi should be decentralised through the creation of self-contained growth centres. Efforts are needed to bring homes, schools, health centres and shopping facilities close together by maintaining proper relationship between residence and work centres. In other words, one of the important goals in planning should be to minimise the aggregate travel distance in Delhi.
2. In the central area of Delhi which is already congested, building activities are to be very carefully regulated, such, as a rethinking in the licensing of high-rise buildings in the vicinity of Connaught Place.
3. To make a fuller use of the existing electrified ring railway, the land use along the route is to be intensified. Planning for

electric trolley buses could start right even now as the ring-railway and future landuse planning may not be able to prevent the growth of traffic in future.

4. Goods transport in Delhi is totally disorganised at present and causes serious congestion in the absence of well-planned truck-terminals for handling large volumes of freight. The future plan has to aim at siphoning off through freight movements along with by passes and providing the efficient collection, handling and distribution of goods at nodal points through new truck terminals.
5. New bridges across the Jamuna at the ISBT, Maharani Bagh, Baghpat and Palwal seem to be urgently needed. Although the excessive utilization of 23 railway sections in Delhi leaves a little scope for introducing a network of suburban trains, but by the end of the Century, Delhi would have corridors with more than 50,000 persons trip per hour. In such a case an integrated transport system is a must. It is necessary for the planners to adopt a comprehensive approach to mass transportation in Delhi, in the light of its increasing population. The Bombay pattern of linking vehicular transport with the suburban train system is that city could be taken as an example by Delhi's planners to cope with the commuters demands by the turn of the century.<sup>5</sup> In this context reference is often made to the proposal of Light Rail Transit (LRT) in the Perspective Development Plan for Delhi in the year 2001 whose implementation would go a long way to solve the traffic chaos in the city. Reference is also made to Medium Capacity Rapid Transit System (MCRTS) recommended by the Study Group on Alternate System of Urban Transport, Government of India (1987) for high-capacity corridors. Initially, exclusive *right-of-way* is required for use by the urban bus and later extended and converted into a MCRTS.<sup>6</sup> The MCRTS electric train system is, however, needed for high capacity corridors. It is, therefore, suggested to introduce either LRT or MCRTS for the healthy growth of Delhi metropolis. A mono-rail system may also be integrated in the future network of intra-rails which may link APPU-GHAR with a few high capacity corridors. In fact, the existing Ring Railway in Delhi would also remain in effective unless planners took a bold step in integrating it with the transport infrastructure in the city. □

<sup>5</sup>The Hindustan Times, December 8, 1988, p. 3.

<sup>6</sup>Report of the National Commission on Urbanisation, Volume II, August, 1988.

## *Development Control Enforcement, Responsibility and Fear of Penalty\**

VIVEK N. PATKAR

TO GUIDE and regulate the urban growth in our cities and towns by adoption of a land-use development plan is now a standard practice. Identification and reservation of zones for appropriate uses with a view to make the best utilization of available land and plan necessary infrastructure facilities at a minimum resource cost are the principal objectives of such an exercise. Elaborate surveys and mathematical modelling efforts generally form the basis of initial plan preparation. This plan is discussed and debated at various forums and ultimately, an officially sanctioned plan emerges. All the developments in a given area are supposed to be taking place according to such a plan till the next revision or modification of this plan.

Formulation of a development plan is not an end in itself. To monitor its implementation and initiate corrective action, whenever necessary, is also an equally important function of the authorities. For instance, as a part of plan document, a set of development control rules for developing properties and structures are normally laid down and any large scale violation of those could lead to the problem of congestion and its attendant consequences. Thus, a slackness in the enforcement of development control rules can cause an extensive distortion in the envisaged structure of an area.

Generally, a small enforcement unit is formed by the civic authorities to conduct inspections and check the violation of development control rules. While raising such a unit, a reasonable amount of responsibility and fear of penalty on the part of population is assumed. However, of late, an increasing tendency to violate the development control rules in some of the bigger cities is observed. It is obvious that this problem cannot be solved by enlarging the enforcement alone; the attention of citizens towards their responsibility and the fear of

\*Views expressed here are those of the author alone and not of the organisation to which he belongs.

penalty must also be established. In this article, a model is postulated of how enforcement rates, responsibility and fear of penalty interrelate with respect to development control violations. This article is motivated by the work reported in literature on Criminology.<sup>1</sup>

#### A MATHEMATICAL MODEL

As discussed above, the authorities do try to enforce the rules to the extent possible and impose a penalty in the form of fine or demolishing the unauthorised structure for the violations. A citizen, on the other hand, observes the frequency and magnitude of such an enforcement activity and decides to take a calculated risk of violation of the rules. The central question thus is: do reported enforcement rates really measure the probability of being punished?

It can be assumed without a loss of generality that development control violation depends on both the amount of enforcement observed in one's environment and the adjustment one makes in avoiding it. The following three linear equation model is proposed to describe the interrelationship between sense of responsibility, fear of penalty and enforcement rate:

- (1)  $F = er$  (fear of enforcement equation)
- (2)  $I = a-bF$  (vulnerability equation)
- (3)  $V = rI$  (enforcement rate equation)

where,

- $F$  = fear of enforcement index which can vary between 0 and 100.  
 $F=0$  indicates no possibility of exposure to enforcement and  
 $F=100$  indicates irrecoverable loss is expected to occur due to enforcement.
- $e$  = the marginal increase in fear of enforcement from increases in the real enforcement rate.
- $I$  = index number of exposure to penalty, e.g., number of inspection carried out by authorities.

<sup>1</sup>S. Balkin, "Victimization Rates, Safety and Fear of Crime", *Social Problems*, Vol. 26, 1979, pp. 343-58. S. Balkin and J.F. McDonald, "The Market for Street Crime: An Economic Analysis of Victim-Offender Interaction", *Journal of Urban Economics*, Vol. 10, 1981, pp. 390-405 and; E. Swimmer, "Measurement of the Effectiveness of Urban Law Enforcement—A Simultaneous Approach", *Southern Journal of Economics*, Vol. 40, 1974, pp. 618-630.

- V = measured (nominal) enforcement rate, e.g., number of enforcements per property or structure.
- r = real enforcement rate which is the correct measurement of responsibility and is given by V/I.
- a = amount of unauthorised development one would do if there were no fear of enforcement
- b = the marginal reduction in unauthorised development in response to increases in fear of enforcement.

V, I and F are endogenous variables which are derived by the model. r is an exogenous variable determined outside the model and a,b and c are parameters. All variables and parameters are assumed to be non-negative.

Equation (1) expresses fear of enforcement as some positive multiple 'e' of the real enforcement rate. This is obvious because people are usually rational to understand that more risk means more possibility of penalty. This also reflects implicit that people accurately observe the real enforcement rate which is, however, never recorded officially. Factors which would influence 'e' are : the amount of monetary benefit that can be obtained by extra development, advantage of more space utilization and past experience of self and other known persons in respect of imposition and recovery of penalty by the authorities. Factors that determine the real enforcement rate 'r' are: the degree of dishonesty among property developers, the efficiency and integrity of enforcement machinery and preparedness of fellow citizens to inform authorities about violations.

Equation (2) describes the amount of exposure to enforcement as a negative function of fear of enforcement. It implies that the amount of exposure decreases by 'b' units when fear of enforcement increases by one unit. The main factor that affects b is ability on the part of a developer to carry out activity in such a manner that it could not be easily detected or developing the authorised property in such an innovative way that it could fetch the same perceived advantage which would be otherwise obtained by an unauthorised extra development. The value of a is generally influenced by personal values and beliefs, financial needs and risk taking capacity.

Equation (3) is in fact an *identity* which gives the measured (nominal) enforcement rate as the product of real enforcement rate and number of exposures to possible enforcement of penalty situations. It is clear that the measured enforcement rate would differ from person to person but the real enforcement rate may be the same. It thus follows that those risk taking persons who violate the development control rules for some material gain are likely to experience more enforcement penalties.

The recursive nature of the model as specified by the linear equations (1), (2) and (3) brings out the ultimate effect of the real enforcement rate  $r$  on the nominal enforcement rate  $V$  through a peculiar balancing chain of possibilities. The higher value of  $r$  increases the value of  $F$  which, in turn, reduces the value of  $I$  and, therefore, the net effect on  $V$  is achieved through such an oscillating pattern.

For deriving meaningful interpretation let us subject the model to further mathematical analysis. By simple rearrangement of variables in equations (1), (2), and (3), we obtain what is called as reduced form of a model where endogenous variables  $F$ ,  $I$  and  $V$  are expressed in terms of the exogenous variable  $r$  and parameters as given below<sup>2</sup>.

$$(4) F = er$$

$$(5) I = a - bear$$

$$(6) V = ar - ber^2$$

To understand the effect of change in value of  $r$ , the following set of simple derivatives are useful:

$$(7) \frac{dF}{dr} = e > 0$$

$$(8) \frac{dI}{dr} = -be < 0$$

$$(9) \frac{dV}{dr} = a - 2ber \begin{cases} \geqslant 0 \\ < \end{cases}$$

Equation (7) shows that final effect of changes in real enforcement rate on fear of punishment is always positive. Equation (8) shows that end effect of changes in real enforcement rate on exposure to punishment is always negative. The ultimate effect of changes in real enforcement rate on the measured enforcement rate is given by equation (9). Combining equations (6) and (9), it can be seen that as  $r$  increases,  $V$  increases up to a certain limit and beyond this maximum point, increase in  $r$  results in decrease in  $V$ . This, as stated earlier, is due to the particular form of relationship between  $F$ ,  $V$  and  $r$ .

<sup>2</sup>A.C. Chiang, *Fundamental Methods of Mathematical Economics*, New York, McGraw Hill, 1967.

### DISCUSSION

The foregoing analysis reveals a possibility that the real enforcement rate in practice may be moving in direction contrary to the officially measured enforcement rate. This calls for a cautious evaluation of the success of enforcement measures taken by the authorities by reading either reported enforcement rates or measured enforcement rates. This can happen, for example, when an authority may be reducing development control rules violation among property developers by frequent raids and imposing significant penalties and thus decreasing the real enforcement rate which then causes persons to commit themselves more to violation with the result that the reported enforcement rate increases.

Unfortunately, requisite data are presently not available to operationalise this model in the context of our cities. The estimation for fear of enforcement equation (1) and regression equation (2) for vulnerability calculation can be derived by carrying out independent surveys based on properly formulated questionnaire to quantify the fear of enforcement variable supplemented by official records. Such an exercise either directly by authorities or through institutions engaged in social science research could prove helpful in collecting the data to test the model. It is to be noted that such an exercise is in the interest of the authorities because higher the development control rules violation, the greater is the demand for enforcement expenditure.

With rapid growth of population and inflow of migrants from rural and other areas, the pressure on urban land is increasing at an unprecedented rate. An obvious consequence is the astronomical rise in the prices of urban land and built-up structures. The situation in our metropolitan cities is worse. No wonder, under these circumstances a tendency is growing among a sizeable number of property owners and developers to violate the zoning and building rules laid down by a development plan in force. The ongoing case of constructing eight upper storeys in violation of building rules and permission by builders of 'Pratibha' building in the heart of Bombay city is an indicator of a grim situation in the Indian urban land market. Even the small property developers are found grabbing the space and violating rules in a variety of ways. Clearly, the enforcement capability is found wanting and penalties imposed are not working as deterrent.

An extended form of the above model where different types of violations and penalties could be accommodated is likely to provide an effective tool to the planners to capture the correct perception of the enforcement effects.

### CONCLUSION

There is a need for more vigilant enforcement of development control

rules to maintain the sanctity of planned development of urban areas in our country. Since, a close relationship exists between enforcement rates, sense of responsibility and fear of penalty and moreover, these parameters are subjective in nature, it is imperative to use the relevant models from urban economics and sociology. It is believed that model presented here could help authorities in evaluating the impact of existing enforcement means and thereby designing the more effective measures.



## *Book Reviews*

*State of India's Urbanisation*, New Delhi, National Institute of Urban Affairs, 1988, p. 103.

This is the first detailed demographic profile of India's urbanisation. The text titles cover the following aspects: (1) an overview, (2) over-urbanisation thesis, (3) levels of urbanisation, (4) patterns of urban growth, (5) components of urban growth, (6) birth and death rates, (7) urbanward migration, (8) new towns of 1981, (9) change in urban India, (10) morphology of urbanisation, (11) metropolises and cities, (12) primacy patterns, (13) urban crowding, (14) urban poverty, (15) urban slums, and (16) future estimates. Each section contains all the available facts and a few general conclusions. The four annexures contain detailed districtwise, city-specific and aggregative urban population data.

The compactness of the study and the precision of its findings are two features which strike any reader of this study. However, a note of warning should be sounded before the study is made use of—the data base is of a varying quality, especially when non-demographic features are introduced, such as, boundary questions, physical attributes, levels of living, and projection bases. The use of the word 'metropolitan' in terms of a million-plus city is also somewhat misleading, in view of its generally accepted connotation of daily interaction area. Similarly, a city is limited to its civic jurisdiction and does not cover its 'metropolitan area'.

Future complementary studies will be related to the supportive physical resource requirements for urbanisation. In terms of human interest, the levels of living and livelihood of the urbanites seems to be of immediate concern for urban policy-making. The data gaps are also more pronounced in the latter field. It would be worthwhile if the National Institute of Urban Affairs (NIUA) attempts to venture into the as yet unexplored field of indicators of Indian urban life in specific city contexts, rather than on the physical dimensions of urbanisation *per se*.

The volume should bear a compulsory reading for all those interested in India's urbanisation. The production quality of the volume is of an international standard. NIUA deserves full praise for the publication.

—AHBIJIT DATTA

*Municipal Finance in India* (Based on Orissa). GOKULANANDA DASH, New Delhi, Concept, 1988, p. 245, Rs. 200.

The book has been published posthumously two years after the sad demise of the author who turned to academic pursuits after a long career in the finance department of Orissa state government. It is based on municipal data in Orissa up to 1976 collated from various sources: State Municipal Finance Commission report (1975), municipal audit reports and annual reports of the State Local Fund Audit Organisation, and primary data from a number of sample municipal bodies. Altogether the array of collected financial data is quite impressive, in spite of the staleness of reported information.

The book is intended to focus on municipal financial administration, although the actual coverage is much wider to include generic issues of local public finance, such as, municipal revenue base, grants-in-aid, expenditure decisions, budgeting, accounts and audit. The analytical aspects in the book are somewhat weak, particularly in matters, such as, an alternative base for property taxes, or replacement of *octroi*. For instance, it is not noticed that in Orissa an area-based property tax is treated as if it is based on rental: or no distinction is made between a future accounts-based entry tax and the existing check-post-based octroi in Orissa. Issues on state transfers to the municipalities also are discussed along existing practices, rather than in terms of new approaches, such as, the need for a minimum level of fiscal transfers to the municipal bodies, and the need for institutionalising the transfer arrangements.

The financial administration issues examined by the author do not break new grounds, due to a lack of clarity about the scope of municipal autonomy and the role of the local political executive. For instance, Prof. Robson's views on audit surcharge have been brushed aside by the author as wooly; increased executive authority for the appointed municipal officials has been suggested without safeguarding the supremacy of the existing political executive. On a point of fact, the author incorrectly states that in Tamil Nadu no surcharge action lies against appointed officials; actually, the situation is just the opposite. Surcharge proceedings apply on executive functionaries; with Tamil Nadu conferring executive powers to its appointed municipal officials, the audit surcharge is applicable to them and not on the elected councillors and the chairman.

All in all, the book is rich in data and fairly comprehensive in its treatment of the subject matter. The standard of publication is first-rate and this largely accounts for the high price of the book.

—ABHIJIT DATTA

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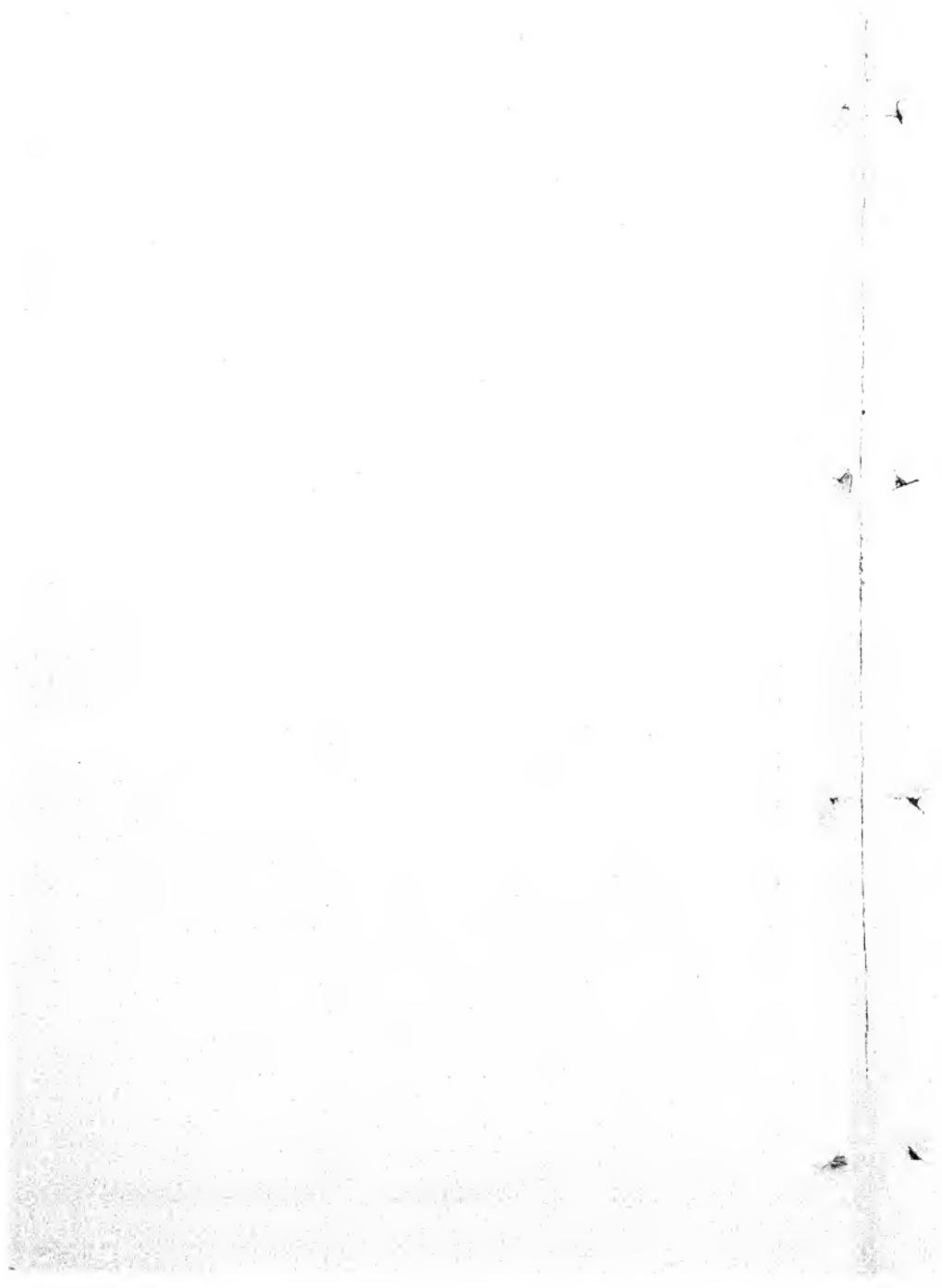
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# *Urban Housing Market: The Role of Real Estate Agent\**

KEDAR NATH RAO  
and  
VIVEK N. PATKAR

THE INADEQUACY of housing supply in urban areas is now one of the major problems faced by our country. To augment the housing stock position, the government has initiated a number of measures, e.g., stepping up the rate of public housing construction, lowering the design, construction and material quality norm, liberalising terms for housing loan and so on. The impact of these measures, however, remains confined largely to the public housing. The private housing, on the other hand, is usually governed by the market mechanism. Naturally, the elements associated with any commercial transaction like advertising, bargaining and variable pricing get reflected in a private house dealings. One very important link in such transactions is the 'Real Estate Agent' (REA). The role of establishing the necessary contact between a prospective buyer and interested seller as performed by REA helps in completing the deal smoothly and to the satisfaction of all parties. Despite such a crucial service provided by REA, there is a near absence of information about his working relationships and perceptions in the Indian context. An attempt is made in this article to present a few of such details on the basis of data collected from the REAs operating in New Bombay. The emphasis here is on describing the private housing market mechanism as it presently operates through REAs.

## *The Real Estate Agent's Role*

To determine the clientele and role of REA, it is first essential to understand the housing categories available in the market. According to

\*Views expressed here are those of the authors alone and not of the organisation to which they belong. The authors are thankful to 'SHELTER' Consultants for extending the necessary support in carrying out this study. The encouragement received from Mrs. Mavgala K. Ghorpade all through this work is gratefully acknowledged.

the official scheme of classification, the following groups based on household income per month characterise the buyers:<sup>1</sup>

1. High Income Group (HIG) : Above Rs. 2,500
2. Middle Income Group (MIG) : Between Rs. 1,501 and Rs. 2,500
3. Low Income Group (LIG) : Between Rs. 701 and Rs. 1,500
4. Economically Weaker Section (EWS)

It is a common knowledge that the lower categories of EWS and LIG are catered directly by public housing agencies through a number of schemes. The first category of HIG, due to command over larger financial resources and information, generally, fends itself in the competitive market with nominal services of REA. It is the second category of MIG which has to depend heavily on REA for locating a house and fixing the terms. Lack of knowledge of housing market behaviour and procedural rules and regulations together with uncertainties involved in carrying financial transaction with an unknown party are the prime factors calling for the role of REA. To safeguard the interest of both the parties and settle the housing deal in all respects characterises the work of such an agent.

Besides acting as a mediator, REA also performs a useful role of bringing in the market a housing stock which is otherwise not available for want of information. The other reasons could be that a seller or owner be disinterested due to intricate legal formalities, unattractive price or rent and holding on for more lucrative offer in future. A buyer or tenant on the other hand may have totally different perception about such dwelling/commercial units. The REA, thus, serves as a data bank or information resource and provides both the parties valuable tips and information and is, thereby instrumental in making better utilization of the available housing stock.

The hiring of services of a REA is not necessarily one time affair because the same property or housing unit can undergo multiple change of hands over a time. Generally, the same REA is called upon to deal in such transactions.

The financial transactions in the Indian Housing market usually involve substantial money transfers in cash, the confidentiality of terms and conditions become, therefore, very crucial. Mutual trust is the prime requirement in the execution of such deals. Since the buyer and seller generally do not know each other, REA is a person in whom both the parties repose their trust for housing property deals.

<sup>1</sup>HUDCO, *Shelter*, No. 4, Jan-March 1988, pp. 8-9.

### *Taxonomy of Relationships*

With the tremendous expansion of urban housing market and with the entry of large number of agents, the conventional relationship between *Buyer*, *Seller* and *REA* has undergone many variations. Even the types of buyer and seller have changed. The need for interaction with public housing and other agencies has now increased manifold and above all, even the basic purpose of buying a house, *i.e.*, residing, has also been replaced in many instances by pure speculation motive.

The foregoing discussion and general observation of transactions in the housing market lead to the following four types of relationships involving *REA*:

| Type | Parties                  | Purpose     |
|------|--------------------------|-------------|
| I    | Buyer-REA-Seller         | Consumption |
| II   | Buyer-REA----RE-A-Seller | Consumption |
| III  | Buyer-REA-Builder        | Consumption |
| IV   | Investor-REA-Builder     | Speculation |

Types I, II and III can be said to represent the basic relationship, where *REA* acts as a mediator for a buyer who is in the need of space for genuine purpose of use. The type IV represents a relationship characterised by the motive of trading the unit. All these relationships are schematically represented in Fig. 1.

The central role of *REA* in housing market can be seen from Fig. 1. The arrows with solid line indicate the observed relations between different parties and those with dotted line show only the likely relations. It is to be noted that in certain transactions, there can be more than one *REA* and so the link between 1a and 1b can consist of a few intermediate *REAs*. The various relations between 2 and 3 and 2 and 4 through 1a and/or 1b reflect the consumption motive. On the other hand, relations between 4, 5 and 6 through *REA*/or otherwise, reflect the speculation motive underlying the transactions. To study dynamics of these relations in various market conditions is a task in itself but we have not attempted it here.

### *An Empirical Study*

*Background* : To understand the working of a *REA* in a developing urban housing market, a survey was carried out in the township of Vashi which is the most important node among those being developed in New Bombay by the City and Industrial Development Corporation (CIDCO), Government of Maharashtra. The work on Vashi node started in early 70's and it has now developed to a considerable extent. Being, predominantly a residential node according to the structure

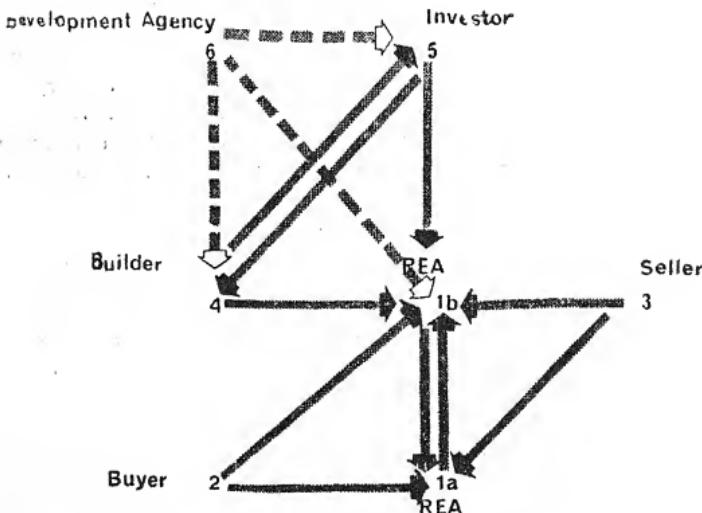


FIG. 1 OBSERVED LINKAGES OF REA IN THE URBAN HOUSING MARKET

plan of New Bombay, the development of necessary infrastructure and initial construction of housing units at Vashi were the main tasks of CIDCO. Due to sustained efforts in respect of construction and marketing the housing units directly, CIDCO was successful in achieving a critical mass of activities which could now attract the private builders and developers at Vashi. Thus, in early 1980's, CIDCO decided to sell the plots reserved for residential and commercial use to the private developers and cooperating housing societies. With this shift in the approach to construction and sale from the public sector to private sector initiative, the business for REA at Vashi received a boost.

In the last ten years, the number of REAs increased from a mere five to 10 to 50 to 60. In addition to these full-time REAs, there are about 150 REAs who work on part-time basis. In this study we have confined our attention to the full-time REAs alone.

**Survey:** Informal discussions were first held with a few REAs operating at Vashi. This helped in obtaining the addresses of most of the agents and also some idea about their operations. In the light of this

information, a suitable questionnaire was designed and tested with a few agents. Based on the feedback, the final questionnaire was prepared. The other significant advantage of this pilot survey was in gaining the confidence of REAs to co-operate and spread the word among other agents to do so.

Keeping in view the time and other resources available, it was decided to cover 30 agents which constituted 50 per cent of the existing full-time REAs. However, only 17 agents agreed to cooperate and finally 10 of those returned the questionnaire filled in all respects. This response rate can be assumed to be satisfactory, especially in the light of small universe and nature of operations of these agents about which they are generally adverse to speak for various reasons. In addition, semi-structural interviews were also held with the agents to get supplementary information.

*Analysis:* From the analysis of responses received, the following important details about operations and profile of a typical REA emerge:

1. About 70 per cent of REAs operate on single proprietor basis. The remaining ones work in partnership but, in 60 per cent of such cases, the partners are from among the relatives only.
2. The average age of a REA is 35 years and about 90 per cent of agents possess a graduate qualification. It means, a fair degree of maturity is necessary for REA to operate successfully in the market. Of course, communication skill and ability to gain the confidence of a customer are the prerequisites for this profession.
3. The main reasons for taking up the profession of a real estate agent are given below in the decreasing order of importance:
  - (i) Low investment;
  - (ii) Relatively lower risk and high returns;
  - (iii) Independence; and
  - (iv) Limited responsibility.
4. The offices of all the full-time agents are located in the commercial zone of the town. About 70 per cent of these are in a rented accommodation as it needs fairly low initial investment.
5. Telephone and face-to-face contact are the forms of communication, mostly employed by REAs for their business. Written communication is rarely used.
6. The information about the properties available for transfer of hands is generally maintained in registers. Only one REA is making use of a personal computer for this purpose.
7. The transactions, in respect of property buying and selling are completed very speedily. This can be concluded from the fact that 80 per cent of the deals were finalised within three visits to

- REA by buyer or seller. The REA strives for an early completion of a deal so that competitors cannot creep in.
8. The average size of tenement demanded for housing purpose is 50 sq. mt. About 90 per cent of such units available for selling are those which were never occupied by the original owners implying their speculation motive in acquiring the unit.
  9. According to REA classification, people with income exceeding Rs. 3,000 per month belong to MIG, those with Rs. 5,000 per month are in HIG and those with Rs. 10,000 or more per month constitute super HIG. Most of the clientele of REAs belong to the first category, i.e., MIG.
  10. The average household size of a genuine buyer is four and the head of the family is about 35 years old. Nearly 80 per cent of such customers are white-collar professionals.
  11. REAs are mostly transacting the properties developed by the private builders. This is on account of larger margin and lesser formalities.
  12. Hand bills and advertising panel boards are mostly used by REAs for their advertising. Sometimes, local newspapers are also used for this purpose.
  13. A REA charges two per cent of the transaction value as the commission from both the parties. The commission, however, gets distributed if more than one agent is involved. The average earning of a REA varies between Rs. 8,000 and 10,000 per month. This shows the lucrative business done by REA and also reflects the high sale value of the transactions in the current housing market.

Further, an attempt was made to learn about the viewpoints of REAs regarding steps to be taken for improving the urban housing market situation. The following suggestions are put forward by them:

1. More housing plots should be put into the market through public advertisement, so as to generate a fair and wider competition.
2. The practice of allotting plots on the basis of the highest quoted price should be suitably modified because, although the development agency get the best price, the plots are cornered by speculators in most of the cases.
3. Appropriate checks must be introduced to verify the authenticity of the members of the cooperative societies before allotting the plots to them as many of those are fictitious.
4. The loan amount available for housing purpose through banks and other institutions should be annually enhanced keeping in view the rising prices in the housing market.

5. Urgent measures must be introduced to minimize the component of unaccounted money which goes in housing transactions, otherwise the genuine buyer of housing stock for dwelling purpose would always remain disadvantaged.
6. Private sector should be given more incentives to increase the housing stock and public sector agencies should confine largely to construction of houses for low income groups.

#### CONCLUDING REMARKS

The results of this survey can be assumed to be fairly general and not necessarily true only for new towns. Some of the suggestions made by the REAs deserve serious attention. It is clear, that REA plays a very important role in the housing market. He generally acts as a conduit for the interested buyer in obtaining a tenement either on rental or on outright purchase terms. Offers of a wide variety of terms, near absence of uncertainty and personal touch attract the customers to a REA. No public agency can play such a role effectively due to inherent constraints of procedure and this is a well recognised fact. For instance, officially appointed travel agents by airline companies form an integral part of the civil aviation system precisely for this reason. Recognising the important role of estate agent in the urban housing market, it has been analysed from different angles and reported in many urban studies abroad.<sup>2</sup> However, very little documentation in the Indian situation is available and there is a specific need for undertaking further studies in this important area.

With the expansion of cities and towns the scope for activities of REAs is bound to increase and, therefore, it would be very useful to prepare a framework involving them in the development and marketing process. A properly designed role of REA can help the development agency in getting useful information and signals about market trends in the housing market and also help in performing some of the marketing functions in a cost effective manner. □

<sup>2</sup>C.M. Barresi, "The Role of the Real Estate Agent in Residential Location", *Sociology Focus*, Vol. 1, 1968, pp. 59-71; D.J. Hempel, *The Role of the Real Estate Broker in the Home Buying Process*. Center for Real Estate and Urban Economic Studies, University of Connecticut, Storrs, Connecticut, 1969; R. Palm, "Real Estate Agents and Geographical Information", *Geographical Review*, Vol. 66, 1976, pp. 266-288.

# *The Brazilian National Housing Bank: End of An Era?*

GIL SHIDLO

URBAN POLICY in Brazil started with the foundation of the BNH in 1964. The pre-1964 era had been rather amateurish in relation to public housing policy. While, in the period 1890 to 1964 only 17,000 housing units were constructed more than three million units were built during the two decades of military regime. It is only with the creation of a federal housing system that the cooptation of the middle classes by the government became institutionalized. The military regime recognized that investments of many kinds were needed for development but frequently implied that one kind was of essential importance—the provision of state housing for the urban middle classes who supported them in an era of economic crisis. For the middle classes the acquisition of their own housing had an enormous appeal and this became a central policy of the post-1964 regime in a sense of widening the support and legitimacy. By creating a federal housing bank (BNH), the government would be able to control from the centre, the allocation of a crucial resource.

### *Reorientation of Housing Policy, 1964-83*

Government intervention in the housing market requires state expenditure, both for capital outlays and revenue outlays. The scale of these outlays reflects not only changes in political power, but also the national economic conjuncture and its theoretically perceived relationship with state expenditure. Before the acceptance of John Maynard Keynes theories, the orthodox response to the crisis was to cut state expenditure. In the golden age of Keynes, during the two decades following the World War II, changes in the flow of state expenditure were seen both, a means of regulating aggregate demand, positively or negatively, and a way of shifting productive resources from one economic activity to another. The Brazilian planners of the 1950's and early 1960's followed the intellectual leader of a group of economists (Furtado, appointed director of the BNDE in 1958 and later minister of planning) in the belief that economic development in Brazil required basic 'structural' changes in the

economy, which could best be achieved through planning and implementation of plans by the state. The change of government in 1964 brought differences of various degrees in the internal organisation of the Planning Ministry, but the basic belief of an intense commitment to state intervention in the economy did not change.

It is only after March 1964, that a comprehensive national urban policy could be identified in Brazil. This policy evolved rapidly between 1964 and 1973. These two years can be taken as points of reference for an analysis of urban policy. The Banco Nacional de Habitacao (BNH) and the Sistema Federal de Habitacao (SFH) were created on the 21st of August 1964—Law 4380. In this phase of contemporary Brazilian history the initiative in the urban policy was marked by creating a National Housing Bank. One of the leading figures behind the idea was Carlos Lacerda then governor of the State of Guanabara (before the 1964 coup). He was also one of the principal leaders of the victorious movement of 1964 and a strong candidate to succeed Castello Branco. It is not possible to forget that elections for 1965 were foreseeable, in order to constitutionalize the movement of 1964. In April 1964, Sandra Calcvanti as Secretary of the Governor Carlos Lacerda and future President of the BNH, visited Castello Branco with plans to immediately create the new institution. In her own words "...the revolution urgently needs to act in favour of the urban masses."<sup>1</sup>

The principal reasons to initiate a housing policy, through the creation of the BNH, were the heavy migration from the country to the towns and the continuing inflationary interest rates. The Urban expansion had already deteriorated through the proliferation of sub-human housing, creating fears that the favelas might provide a breeding ground for subversion.

By giving work to the civil construction firms and the industry of housing materials, paralysed forces in the Brazilian economy, Lacerda gained the support of the civil construction industry in Rio de Janeiro to promote the improvement of living conditions in the city. Large projects of urban renewal meant the expropriation of favelas and this was pursued intensively by Lacerda. Favela eradication during this period (1962-66) did not concentrate on the wealthy southern zone, but rather on the Tijuca-Meier region. The objective was to make way for the auto-transit system in this area and to allow construction of the State University of Guanabara.

Meanwhile, increasing inflation was already affecting the rental policy and the construction industry. Both of these factors influenced the decline in investment in new housing. Lack of investment in civil construction, on the other hand, was already influencing the level of supply and

<sup>1</sup>Bernice de Souza, *O BNH e a politica do Governo*, UFGM, 1975.

putting pressure on rents. It is unnecessary to emphasize that for the middle sectors the acquisition of private property had a tremendous appeal and this became a central policy of the post-1964 regime in a sense of widening the support and legitimacy. The BNH was the principal agent of the SFH (Sistema Federal de Habitacao) since the latter's foundation. The policy followed by the BNH was influential to the national urban policy and was composed of two phases—the first was of public housing and the second, urban development.

#### *The Initial Role of the BNH*

The initial role of the BNH was to solve housing problems in Brazil. While the SFH attributes the basic function of promoting construction and the acquisition of houses especially for the lower income sectors, the BNH's function was to orientate, discipline and control the SFH of which it was an element.

The federal government, through the Ministry of Planning, formulated the national housing and land policy, coordinated the action of the statutory bodies and orientated private initiative in stimulating the construction of public housing and financing house purchasing, especially for lower income sectors. The federal government would intervene in the housing market through the following:

- (a) The BNH;
- (b) The SFH; and
- (c) Federal Saving Associations (Caixas Economicas Federais).

The BNH was closely bound to the Ministry of Internal Affairs and would have its own judicial personality, assets and administrative autonomy, with the advantage of judiciary immunity. The Bank could install agencies in the whole of Brazil and use commercial bank facilities in localities without agencies. The main functions of the BNH are:

1. To orientate, discipline and control the SFH.
2. To initiate the creation of savings and their distribution to the SFH.
3. To discipline the access of agencies for housing credit to the national capital market.

The BNH was created to serve as executive agent of the Housing Finance System (SFH), whose goal was to promote the construction and acquisition of homes, especially by the lower income sectors. The bank is the guarantor and ultimate repository of voluntary savings generated through the Brazilian Saving and Loan System (SBPE). The system has been successful in concentrating a large proportion of popular savings

by periodically increasing deposits to adjust for inflation (indexing) and adding to this a substantial interest rate. In 1967, the BNH acquired access to a vast pool of compulsory savings through the creation of the Guaranteed Employment Fund (FGTS). The fund has the ostensive purpose of creating a patrimony for the worker and his family and is formed by employers' contributions totalling eight per cent of their payroll. Deposits in FGTS are also indexed and receive annual interest of up to six per cent. BNH acts both, as recipient and manager of the fund. The size of the liquid assets BNH receives through the voluntary and compulsory saving systems now exceeds the total budgets of several federal ministries.<sup>2</sup>

By 1973, they represented close to six per cent of the gross domestic product. These resources are also impressive in absolute terms: in 1973, BNH had control over approximately \$ six billion, by the end of 1975 the figure had grown to over \$ 16 billion. Of the latter figure, 40 per cent corresponded to voluntary savings (FGTS), and nearly a third to resources already accumulated by the bank and the SBPE plus other minor funds. The fact, that BNH became an economic giant is not fortuitous, for it is the instrument of the national state in achieving a complex array of goals. The bank is the prime agent of the government in two fundamental 'social' areas: housing and the generation of popular employment. The bank's initial mandate was to meet a national housing deficit estimated at eight million units. "It was charged, in the words of a former President of the Republic, to propitiate greater security, comfort, and well-being to the families of most scarce resources and contribute to a better distribution of income and a reduction of regional income inequalities' (Garrastazu, Medici)".<sup>3</sup>

To meet this goal, BNH organized a house construction programme in the "social interest" area. At the same time, however, the bank was charged with the task of stimulating employment among the urban unskilled and semi-skilled workers. Roberto Campos, the former Finance minister summarized the two-pronged social strategy by BNH: "...favouring home ownership by the less favoured classes while stimulating simultaneously the absorption of unskilled manpower by the civil construction industry, the housing policy contributes to the achievement of two basic objectives of the government programme: to insure...opportunities for productive employment to the continuously increasing manpower flowing into the labour market; to alleviate regional and sectoral economic inequalities and the tensions created by social disequilibrium through improvements in the human condition."<sup>4</sup>

Mario Trinidade, one of the first presidents of the BNH (1966-1971),

<sup>2</sup>G. Bolaffi "Habitacao e Urbanismo" in *Ensaios de Opiniao*, Brazil, 1975, pp. 73-83.

<sup>3</sup>A. Portes, "Housing Policy, Urban Poverty, and the State", *Latin American Research Review*, Vol. XIV, No. 2, 1979, p. 7.

<sup>4</sup>Ibid., p. 7.

understood that the ultimate rationale of these social objectives was "... to reduce the dangers of social tension among the urban masses and those arising from the exchange between the urban and rural masses".<sup>5</sup>

### *Urban Development and Industrial Expansion*

"The development of an advanced industrial sector, from 1964 onwards, was achieved under the control of monopoly capital. Throughout this process, the Brazilian state has played a crucial role. Particularly, since 1964, the state has favoured development (but especially growth) at almost any price. One of the initial problems confronting Brazil in the 1950's was the absence of an infrastructure, capable of supporting advanced multinational enterprises."<sup>6</sup> In creating this infrastructure, the state simultaneously created a market for the industrial products.

State support of industries in the monopoly sector was viewed as the best way to foster long-term economic development and capital accumulation. By analysing trends in the federal budget and specifically public expenditure in urban development, through time, we can observe the state's political and economic intervention in the industrial sector. During the actual stage of capitalist development, the monopolistic corporations tend to depend on state investment for their expansion.

With the accumulation of funds through compulsory and voluntary savings the original objectives of the SFH were adjusted not only to include investment in public housing, but also to turn its attention to the growth of cities. Since the early 1970's, the federal housing agency began to invest in physical infrastructure, (e.g., water supply and sewerage systems) as experience showed the scarcity of municipal and state resources and expenditure in the latter. During this period the government's policies also emphasized a need for economic development (but especially growth) at almost any price. The BNH began during this era to revise the distribution of its budget. By looking at the expenditure side of the budget one notices an emphasis towards public investment in urban development as opposed to a previous commitment to investment in housing. Up to 1978, the total expenditure of the BNH on housing was on average 70 per cent; on urban development 25 per cent (of this figure half was invested on sanitation). In 1979-81 two-thirds of the budget was allocated to housing and one-third to urban development. During the period of 1982-83, even a higher proportion of the total expenditure was allocated to urban development. This trend towards investing larger proportions of public housing funds on infrastructure in the highly industrialized urban centres of the South East region of Brazil

<sup>5</sup>A. Portes, *op. cit.*, p. 7.

<sup>6</sup>*Ibid.*, p. 6.

is clearly part of state policy to support industries during the stages of capitalist development in which corporations depend on state investment for their expansion. By analysing Table 2 on the distribution of finance for housing units in the various regions of Brazil one can clearly see the emphasis of allocating a high proportion of funds to the industrialized regions.

Not only is there a trend towards investing social capital to support industrial development but substantial amounts of BNH funds were invested directly in industrial projects. This happens when the government is unable to financially support its public commitments. For example, on April 26, 1973 "... President Stroessner of Paraguay and President Medici of Brazil signed the Itaipu Treaty to build the largest hydro-electric power project in the world with an installed capacity of 12,600 megawatts".<sup>7</sup>

As the cost of Itaipu escalated from an initial estimate of two billion US dollars in 1972, to over ten billion US dollars in the early 1980's, the Brazilian government which had committed itself to finance nearly all the project, had to look for new foreign and domestic sources for funding. One of the unofficial sources was the BNH which diverted substantial amounts of its budget to this 'jumbo' project, but also to others in which Brazil invested heavily in the 1970's. They include (apart from Itaipu) the Tucurui hydro station (6 billion dollars); the Acominas steel mill (5 billion dollars and idle) and the railway to take its output to the coast; new metro systems for both Rio de Janeiro and Sao Paulo; the Carajas iron mining project; and an expensive nuclear power programme. All these projects are part of a government policy for economic development and growth. At first, the continuation of these projects depended largely on the generous support of foreign bankers; since the latter decided to lessen their financial risks and withdraw some of their funds, the government has had to divert resources from agencies, such as the BNH, to meet the rising costs of all of these giant industrial projects.

#### *Regional and Inter-Regional Distribution of Public Housing*

The functioning of the Brazilian political system is influenced by important non-political determinants. These provide over time a framework of the characteristic configurations of power in the various regimes in Brazil. Among the most important of these determinants are national geography, the distinctive regional bias in national settlement patterns, the demographic aspects of national growth, and educational and social

<sup>7</sup>R. Nickson, "The Itaipu Hydro-Electric Project" in *Bulletin of Latin American Research*, October 1982, UK, p. 5.

developments. Each of these has contributed to the shaping of the present public housing distribution pattern in Brazil.

### *Regions and Regionalism in Brazil*

The diversity of Brazil is exemplified by its regions: each represents a particular aspect of the cultural, historical, economic and ethnic diversity of the whole. The unity of Brazil has often seemed superficial, and indeed in colonial times, 'Brazil' was little more than a loosely connected series of coastal settlements. The first decades of the Empire, after independence from Portugal in 1822, were spent in repressing separatist movements in the North East and South. Since the Resolution of 1964, the Central Government has effectively curbed any show of independence emanating from the state governments. The centralization of power in Brasilia is the clear trend (Table 1).

TABLE 1 REGIONS OF BRAZIL

| <i>Principal Regions<br/>of Brazil</i> | <i>Area (km<sup>2</sup>)</i> | <i>Per cent of<br/>Area</i> | <i>Population</i> |                    | <i>Per cent of<br/>Total<br/>Population</i> |
|--|------------------------------|-----------------------------|-------------------|--------------------|---|
|  |                              |                             | <i>1960</i>       | <i>1970</i>        |   |
| North *                                | 3,581,180                    | 42                          | 2,601,000         | 4,485,000          | 4   |
| Northeast †                            | 1,548,672                    | 18                          | 22,429,000        | 33,642,000         | 30  |
| Southeast ‡                            | 924,935                      | 11                          | 31,100,000        | 47,703,000         | 42  |
| South #                                | 577,723                      | 7                           | 11,873,000        | 20,494,000         | 18  |
| Central West ×                         | 1,879,455                    | 22                          | 3,006,000         | 6,885,000          | 6   |
| <b>TOTAL</b>                           | <b>8,511,965</b>             | <b>100</b>                  | <b>71,009,000</b> | <b>113,209,000</b> | <b>100</b>                                  |

\*States: Acre, Amazonas, Para.

†States: Maranhao, Piaui, Rio Grande do Norte, Paraiba, Alagoas, Sergipe, Bahia.

‡States: Minas Gerais, Espirito Santo, Rio de Janeiro, Sao Paulo.

#States: Parana, Santa Catarina, Rio Grande do Sul.

×States: Mato Grosso do Norte, Mato Grosso do Sul, Goias Federal District.

### *The Significance of Regionalism*

Given the distinctive patterns of colonization, settlement and economic growth during the colonial period—which were accompanied by the accumulation of social influence as well as economic wealth by the dominant families of the region—regionalism became and remains a potent variable in discussing the politics.

The industrialization scheme of the government in the decade of the 1950's created serious distortions in the economy. Regional inequality increased; agriculture received little new investment; income distribution became more concentrated; there were intensive internal migrations. The latter distortion during the period of 1950-60 can be characterized as

one of intense migration from the poor North East to the economically developing areas of the central south. This migration pattern occurred during a period of great economic and industrial growth in the latter regions.

According to a recent study "... in the less developed countries, metropolitan growth is the direct consequence of rural-urban migration. During the decade 1950-60, such migration constituted 60 per cent of urban growth. This figure is likely to come down to 42 per cent during the decade 1980-1990."<sup>8</sup>

The metropolitan regions of the developing countries contain much of the modern sector of the national economies and hence attract the largest number of migrants.

The characteristics of the metro-regions in the developing countries are different from those in the developed countries in more than one respect. The conditions under which the metro-regions in these countries grow and function are as follows:

1. The nature increase in population is rather high, reaching to four per cent per annum in both urban and rural areas.
2. These countries are essentially rural ...the capital city and a few large centres often dominate the urban scene.
3. There is a high rate of migration ...especially to the metropolitan regions.
4. Manufacturing industries still constitute a major activity in the metropolitan region . . .
5. There is a vast difference in earning capacity and quality of life between urban and rural areas and between the richer and poorer sections of the urban population.
6. The labour force in both rural and urban sectors is largely unskilled or semi-skilled, and hence earning capacity is low.<sup>9</sup>

It was also during this era of rapid industrialization that the Foundation for Popular Housing was founded<sup>10</sup> as one of the measures taken by the government in the critical housing question. The background to the foundation of this national housing agency was political. The Communist Party during this period was rising with strong support from the working sectors in the big cities and the Dutra government tried to win the sympathy of the lower sectors by implementing social policies. In analysing the number of units constructed by size of city in the 1950's

<sup>8</sup>R.P. Misra, and N. Dung, "Large Cities: Growth Dynamics and Emerging Problems" in *Habitat International*, Vol. 7, No. 5/6, 1983.

<sup>9</sup>*Ibid.*, p. 62.

<sup>10</sup>See Gil Shidlo, *The Politics of Public Housing in Brazil*, Unpublished Ph.D., London School of Economics, 1986,

we can already identify a pattern which would intensify later on. The big urban centres were privileged—70 per cent of the public housing was constructed there. The distribution of units by regions is noted by the heavy bias to the South East, where 70 per cent of the units were built, while the South and North East had respectively five per cent and 14 per cent of the total supply. The mid-west had an elevated supply due to the demands of the New city—Brasilia. The lack of housing in the North East can be explained as resulting from a low level of political expression. While the high number of units in the old state of Guanabara can be explained by two reasons. The first being the fact that Rio de Janeiro was the capital of Brazil and the second by remembering that the President of the Republic was Juscelino Kubitscek. On the other hand, the discrepancy in regard to the number of units constructed in the state of S.P.—due to its economical, social and demographic weight—could be explained by the political sub-representation of the state as suggested by Simon Schwartzmann.<sup>11</sup>

With the creation of the Federal Housing System in 1964 the new government promised to invest in public housing and to reduce the distortions of a heavily biased pattern. Although, the Brazilian housing finance system has accounted for some overall redistribution between regions in favour of the poorer North East, the main bulk of the funds still goes to the industrialised South East where they were collected.

Like most Latin American countries, but not as much as in Argentina, Uruguay or Venezuela, the Brazilian urban population tends to concentrate in a few large centres. By 1975, the population of metropolitan São Paulo and Rio de Janeiro together accounted for a fifth of the national population. Since both areas are highly urbanised, we may conclude that this represents 30 per cent of the urban inhabitants (with G.S.P. alone accounting for 15 per cent). The South East region, although representing only 11 per cent of the Brazilian territory, contained by 1970 more than 42 per cent of the country's entire population and by 1980 S.P. state alone contained 21 per cent of Brazil's inhabitants. This region is undoubtedly the main centre of economic activity with income per head being in some areas (e.g., S.P. state) more than double that in the rest of the country.

The fact that the South East has established itself as the dominant region of the process of growth and accumulation of wealth in Brazil implies indeed a relative impoverishment of other parts of the country, such as the North East. Not only does the former region bring together the most advanced sectors of industrial and agricultural production, but the vast majority of public expenditure in welfare and particularly in urban development is invested in the South East.

<sup>11</sup>S , Schwartzmann, *São Paulo e o Estado Nacional*, Difel S.P., 1975,

TABLE 2 HOUSING FINANCIAL SYSTEM—NUMBER OF UNITS FINANCED BY REGION: 1964-1975

| <i>Region</i> | <i>SBPE (*)</i> | <i>Recon (†)</i> | <i>Social Interest area #</i> | <i>Total</i>   |
|---------------|-----------------|------------------|-------------------------------|----------------|
| Southeast     | 3,70,000        | 76,500           | 2,93,000                      | 7,39,500       |
| Northeast     | 55,000          | 14,700           | 1,31,000                      | 2,00,700       |
| South         | 55,500          | 12,300           | 86,000                        | 1,53,800       |
| Centrewest    | 12,100          | 3,000            | 65,000                        | 80,100         |
| North         | 14,000          | 1,000            | 24,000                        | 39,000         |
| Others        | —               | 21,000           | 8,000                         | 29,000         |
| <b>TOTAL</b>  | <b>5,06,600</b> | <b>128500</b>    | <b>607000</b>                 | <b>1242100</b> |

\* Sistema Brasileiro de Poupança e Empréstimo.

† Housing for the Low Income.

# Financing or refinancing for consumers of building materials.

While most of the funds and units do go to the South East of the country the housing finance system has accounted for some overall redistribution between regions in favour of the poorer North East. But the overwhelming majority of the funds still go to the region where they were collected—the urban and industrialized South East (see Table 2). The housing finance system collects resources from two sources: FGTS—which is the compulsory social security fund of all registered workers, and SBPE (Sistema Brasileiro de Poupança e Empréstimo)—which collects private, voluntary savings. The latter has grown from being a small part of the total since its promotion by BNH in 1971 to account for more than three-fourth of all resources collected in 1975. The regional collection of both FGTS and SBPE resources reflects to a great extent regional wealth and its distribution to employees, but whereas FGTS is transferable between regions, SBPE funds stay largely in the state or region where the collecting agency is based. If SBPE funds are redistributed they tend to go to the richer areas of higher market demand for housing. To some extent FGTS funds have been redistributed (via the low income housing and urban development) away from the South East towards, in particular, the North East. During the decade of the 1970's nearly 60 per cent of all housing units and all resources of the BNH had been distributed to the rich urban industrial areas of the South East.

The 1982 elections for state government have brought a change in the distribution pattern of public expenditure on urban development. Some 56,000 posts were contested in November's elections, from senators and congressmen down to local councillors. The most important were those for the 22 state governors which, since the 1964 coup, had always been held by government men (with two exceptions in 1965). "Although the government's PDS won most governorships (12 out of 22) the opposition

Democratic Movement (PMDB) won most of the votes (44% against 42% for the PDS). The government retained control of the electoral college but the PMDB took governorships of the two key states, Sao Paulo and Minas Gerais, which between them account for almost half of Brazil's GNP".<sup>12</sup>

In the state of Rio de Janeiro, the left wing Democratic Labour Party drew some consolation from the gubernatorial victory of Leonel Brizola (the PDT won only six per cent of the national votes). These recent elections introduced a new pattern: overt hostility and opposition towards the existing national regime coupled with an increase in party politics, in autonomous modes of political organization, and in changing political alignment. The South East region is now a stronghold of the PMDB and the main locus of gradual organization of the autonomous PT with its charismatic trade union leader, Luis Ignacio da Silva (Lula). The PT although it won less than 10 per cent of the total votes increased its political power with a stronghold in the ABC—the heavy industrialized region of S.P. state.

The increase in the opposition's power especially in the South East has required a change in the "rules of the game". The federal government has increased the politicization of state resources and encouraged patrimonial links while constantly tinkering with electoral laws. There has been a changing trend toward investing more in urban development projects in the "pro-government" North East states. In the race for the Congress nomination for the 1985 Presidential elections, Mario Andradeza—the Minister for Internal Affairs (who also administers the national housing programme) has sought support from North East Senators by diverting substantial BNH resources towards the 'development' of this region.

#### BROADENING OF FUNCTIONS

In 1971, the BNH transformed itself from an organisation which lent directly to mortgagees into a housing finance bank. Thus, it stopped having a direct concern in the operation of the housing programmes themselves. Local financial agents became responsible for the assessment of candidates, creditworthiness and for the collection of their repayments. Since the BNH transformed into a second line bank in the early 1970's the deployment of the SFH's operations evolved by the BNH is realized by the diverse types of agents (See Fig. 1).

Most of these agents, both promoting and financial, had to face the contradiction between the promotion of the provision of a mass-housing programme to sub-market groups and the requirement to respect the

<sup>12</sup>"The Morning After", *The Economist*, March 12, 1983.

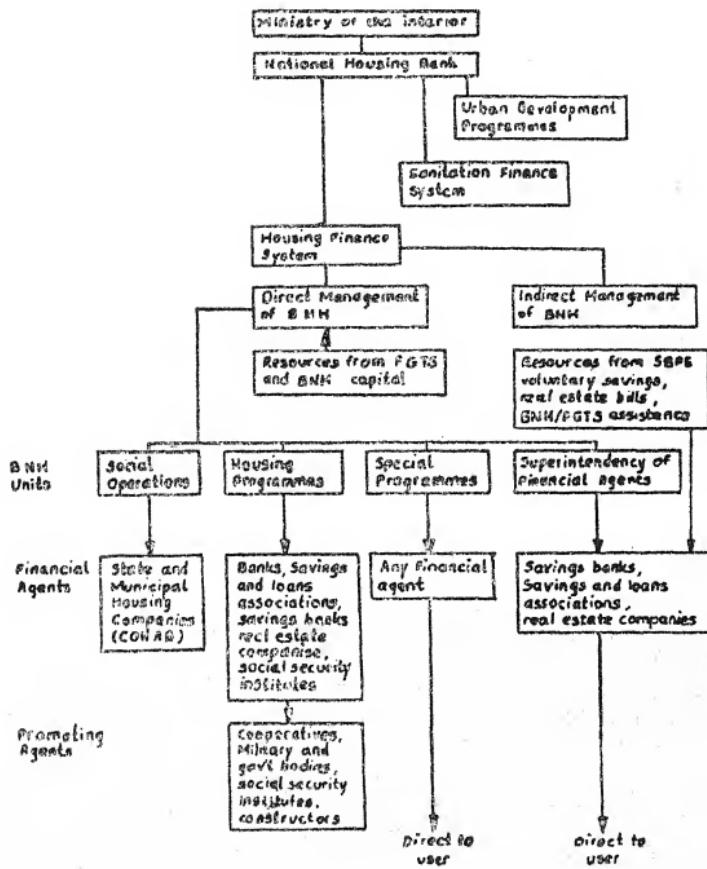


FIG. 1

credit and property markets. In order to resolve this contradiction, the agents preferred to allocate housing and mortgages to those most likely to repay—the urban middle classes. Some like the COHABs had to resort to “procedural selection” in order to eliminate unwanted applicants while others like commercial banks had no formal pressure to apply clear criteria to achieve this.

#### *Financing the System*

Financing for the National Housing Bank comes equally from two sources—one forced and one voluntary. The first is the Guaranteed

Employment Fund, a form of mandatory savings to which all employers contribute eight per cent of the wages earned by their employees. The accounts may be drawn upon in times of illness, disability, unemployment, or for the purchase of a house. The second is voluntary savings from the sale of housing bonds and from the savings deposited through passbook accounts in the savings and loan system.

#### THE FGTS (THE SENIORITY SECURITY FUND)

The creation of the Fundo de Garantia do Tempo de Servico—a systems of social insurance which required compulsory contributions by employed people—in September 1966, was fundamentally intended to complement the labour legislation. Specifically, in the field of unemployment, compensation and stability of employees, by trying to get around the much publicized deficiencies. Apart from that the FGTS offered new welfare conditions, through the possibility of utilizing resources in the event of prolonged unemployment, illness of the employee or members of his family, of wanting to become self-employed, and also the acquisition of housing. Thus, the newly inaugurated policy not only envisioned better relations between employees but also offered new possibilities of social and economic improvements for employees.

Since 1958, the Federal government was looking at ways of creating incentives for the employers to build up reserves destined to cover the eventual unemployment of employees. Until 1966, the employers tried to control the situation by limiting the maximum time of employment in one firm. In order to avoid such burdenness of the labour legislation and to obtain better relationships between the employers and employees, the government implemented the FGTS in 1966.

The policies of 1964 were aimed at reforming the housing market, modifying the tenancy laws, introducing the mechanism of monetary correction in credit operations, creating new saving schemes, establishing incentives for the construction of housing, as well as new guarantees and facilities for the purchasers. This adopted orientation, enhanced the social character of the new policy, with the intention of attending specially the lower income families. Since then, it was established that it was necessary to captivate resources at low cost, in order to confront the small acquisitive power of the urban middle sectors, whose demand was considered by the new military government as of high priority.

The establishment of the FGTS came as a means of providing financial support for the latter policies. The BNH would administer the new fund and would guarantee interest rates on the accumulated real balances with a minimum of three per cent per year and a maximum of six per cent per year (in accordance with the length of employment of the

participating employee). The FGTS rapidly became the principal source of new resources of the BNH. Statistics that refer to the years 1973 and 1974 indicate that nearly 80 per cent of the value of the drafts arise out of the employees remissions. This elevated percentage denotes the principal characteristic of the FGTS: a fund of reserves for labour indemnification.

An increasing use has been made of the draft rights especially in the cases of establishing a self-employed position for the worker, prolonged unemployment, illness and retirement income. The drafts for acquisition of housing were particularly significant in 1972: 3.2 per cent of the total value of the withdrawals. This right of withdrawal reached a level of plenitude once the employees had been participants of the FGTS for at least a minimum of five years. As the FGTS was created in 1966, it was only in 1971 that the right to use funds to purchase housing was initialized. During the two following years the withdrawals for house purchase had relative less significance and later on increased dramatically in the first eight months of 1975. This increase was influenced by better facilities adopted as of June of that year (the alternatives of the withdrawal rights were amplified as it became possible to withdraw more than once. Since then the balance of the employees' FGTS account could be used to reduce, mortgage or liquidate the conceded loan, as well as to start a saving scheme necessary to purchase a house. All this was approved as long as the financing value did not exceed 3500 UPC). Table 3 demonstrates that the distribution of withdrawals by employees is rather concentrated in the lower income sectors. Workers with a monthly income of less than ten monthly salaries were responsible for nearly 90 per cent of the total value of the funds withdrawn.

Table 3 indicates that those employed with an income below two monthly salaries deposited less than 30 per cent of the FGTS's total funds, while they were responsible for more than half of the withdrawals made in 1973. In contrast to the latter the personnel that earns more than ten minimum salaries contributes to nearly 26 per cent of the deposits but was responsible for only 11 per cent of the withdrawals. This characteristic signifies that the rights of withdrawal (at least during one specific period) were principally used by the lower income classes and for this reason they tend to have lesser balance accumulated in the fund. To the extent that the latter withdraw more funds because of indemnification motives the less they will be able to utilize the facilities and subsidies conceded to the programmes of financement for housing.

The low acquisitive power and the feeble saving capacity of the lower income classes, has constituted one of the principal restrictions on the social character of the housing programmes. If the voluntary savings of these classes are modest or nonexistent and for this reason they are forced

TABLE 3 DEPOSITS AND WITHDRAWAL OF FGTS FUNDS BY INCOME (1973)

(In Percentage)

| No. of Minimum Monthly Salaries | Accumulated Distribution            |  | Total Value of Funds Withdrawn |
|---------------------------------|-------------------------------------|--|--------------------------------|
|                                 | Accumulative Percentage of Deposits |  |                                |
| Less than 1                     | 7                                   |  | 20                             |
| 1 to 2                          | 27                                  |  | 52                             |
| 2 to 3                          | 41                                  |  | 66                             |
| 3 to 5                          | 57                                  |  | 79                             |
| 5 to 10                         | 74                                  |  | 89                             |
| 10 and above                    | 100                                 |  | 100                            |

to utilize the accumulated balances in the Fund to outlast unemployment, then the lesser their possibilities to participate in the financing for the acquisition of housing.

#### COMPOSITION OF THE REVENUES AND FINANCIAL COSTS OF THE BNH

The importance of the FGTS in the composition of annual revenues of the BNH has reached an average of nearly 50 per cent in the period 1969-74. Table 5 shows the amount of deposits of the FGTS with the latter. This is a compulsory savings for consumers, because it goes direct to BNH as a liability. But it is also hot money for BNH because an employee may withdraw the deposit plus interest and monetary correction any time, *i.e.*, when he is temporarily unemployed or retires or when purchasing a home. Deposits as shown in Table 4 have increased but so have withdrawals, from three per cent in 1967 (first full year of operation) to 44 per cent (January-July of 1976).

Tables 4 and 5 show the sources of and applications of funds of the BNH. The FGTS still represents the major source of funds or 70 per cent in April 1976, but used to be as high as 80 per cent in 1971. On the side of the application, the BNH agents have been receiving a little bit more than half of the resources. In 1971 and 1974 they accounted for 60 per cent. During the first half of 1976, the percentage decreased to 55 per cent, while the balance has been transferred to commercial and development banks, mainly public banks for infrastructure (urban development, sanitation, and transportation, etc.). By analysing the percentages among the BNH agents, it is clear that the BNH has not been providing the greater part of its financing to the lower income or those getting finance from the COHABs and COOPHABs. In 1971,

nearly 40 per cent of the Bank's resources were allocated to these two institutions, but since 1972 there has been a declining trend in the financing of low income projects. At the same time by looking at the increased participation of the SCI and APE we can see that there has been an upward trend in the expenditure on high income housing programmes.

TABLE 4 BNH—APPLICATION OF FUNDS

(In Percentage)

| <i>Housing Financing<br/>and Refinancing<br/>Institutions</i> | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|------|------|------|------|------|------|
| State Banks<br>(and others)                                   | 40   | 28   | 32   | 40   | 43   | 46   |
| SCI   | 10   | 23   | 26   | 24   | 25   | 23   |
| COHAB's   | 19   | 17   | 14   | 12   | 12   | 11   |
| COOPHAB's   | 20   | 20   | 17   | 11   | 6    | 6    |
| APE   | 3    | 7    | 7    | 9    | 10   | 10   |
| CEF   | 5    | 3    | 2    | 2    | 3    | 3    |
| CEE's   | 3    | 2    | 2    | 2    | 1    | 1    |
| <b>TOTAL</b>  | 100  | 100  | 100  | 100  | 100  | 100  |

TABLE 5 BNH—SOURCE OF FUNDS (MILLIONS OF CR \$)

|                       | 1971   | 1972   | 1973   | 1974   | 1975   | 1976   |
|-----------------------|--------|--------|--------|--------|--------|--------|
| Own Resources         |        |        |        |        |        |        |
| Capital               | 957    | 982    | 2000   | 2750   | 8000   | 8000   |
| Reserves              | 567    | 1546   | 1849   | 5261   | 4737   | 7086   |
| Result<br>of Period   | 29     | —      | 505    | 1261   | 521    | 864    |
| <b>TOTAL</b>          | 1553   | 2527   | 4354   | 9272   | 13558  | 15949  |
| FGTS                  | 9813   | 14788  | 20982  | 32897  | 48413  | 59825  |
| Others                | 522    | 1082   | 1048   | 1902   | 8423   | 10089  |
| <b>TOTAL</b>          | 11888  | 18397  | 26384  | 44073  | 70394  | 85865  |
| FGTS/<br><b>TOTAL</b> | (82 %) | (80 %) | (79 %) | (75 %) | (69 %) | (70 %) |

## LESSONS FROM BRAZIL

It is not easy to compare developments in two such thoroughly different continents as Asia and South America. Even in the restricted area of national housing banks, it is clear that different economic, political and social systems must give rise to different problems and possibilities. The current interest of the Indian government in the model of the BNH presents us with an opportunity for comparison. It is ironic that the Indian government should have a growing interest in a national housing bank at the same time that the BNH was abolished. The return of the military to the barracks in 1985 brought forth public criticism of the BNH. Although it is important not to forget its major achievements in its 21 years of existence: a second line financier which became the second largest bank in Brazil and helped finance nearly four million dwellings. But more important is the issue of the effectiveness of such an institution in meeting the needs of the lower income sectors of the population. By reference to the Brazilian experience it is questionable whether such objectives are likely to be achieved.

*Banks Favour Low Risk Investment and High Returns*

In 1964 the new military government created the BNH in order to "direct, discipline, and control the financing of a housing system aimed at promoting home ownership for Brazilian families, especially among low income groups." The BNH was soon faced with the problem, that having become the second largest Brazilian bank in volumes of resources, it found that the urban lower classes were too poor to afford or were not interested in buying the houses it was offering. This is understandable if one takes into account that in the 1970s, more than 50 per cent of the Brazilian population were earning less than the minimum wage (approximately US \$ 70.00 per month) and were thus unable to break into the property market. Rather than adhere to its original statute the BNH during its two decades of existence financed mainly housing for the urban middle classes who could afford to maintain subsidized mortgages.

*No-direct Competition from Other Organizations*

During the long period of Brazil's military regime the BNH had a monopoly in the finance of low to middle sector housing. This vast organization was the main player in the complex public housing system.

*Indirect Competition Over Shares of the Federal Pie*

The BNH was financed through two sources: voluntary savings and the Employees Guarantee Fund (Fundo de Garantia por Tempo de Serviço: FGTS), a fund to which all employers have to contribute eight per

cent of their employees wages. Rather than competing like other government organizations for a share of the federal pie the BNH with its enormous budget 'loaned' (or gave) billions of US \$ to the federal government to finance 'jumbo' projects such as Itaipu, the world largest hydro-electric power project, and nuclear power stations.

*Lack of Autonomy in Allocating Resources*

Nations with a dominant party in office (*i.e.*, Brazil; India; Mexico) should beware the establishment of a financial institution which acquires such vast resources which will eventually lead to political pressures on whole hierarchies of administrators. If the effect of centralising housing policy-making is in fact to render administrators more vulnerable to increased political pressure, can it also increase efficiency in resource distribution ?

The decentralization reform which is taking place in the area of housing in Brazil is supposed to improve performance throughout the policy process. Its major advantages are said to be that it increases participation, responsiveness, and efficiency in government. □

## *Reforms in Urban Governance in Andhra Pradesh: A Cosmetic Approach*

D. RAVINDRA PRASAD  
and  
V. GNANESHWAR

CITIES AND towns have been playing significant role in the evolution of human civilization. In India, urban governments became self-governing institutions even before Independence. They are considered as training centres for modern governance. But with the emergence of strong national and state governments in India, after Independence, the role of local governments—rural and urban—is relegated back. There has been steady deterioration in their functioning, especially due to secondary treatment meted out to them by higher level governments by eroding their powers, functions and resource base over a period of time. Added to this, the urban governments could not attract the best leadership in the country unlike in the pre-independence era. A number of reforms however, were brought about in the functioning of urban local bodies in various states. This article examines the reforms brought-out in the state of Andhra Pradesh, especially during the current decade.

Until 1965, there were two Acts governing the municipal administration in Andhra Pradesh, *viz.*, the Andhra Pradesh (Andhra Area) District Municipalities Act, 1920, and Andhra Pradesh (Telangana Area) District Municipalities Act, 1956. The historical factors had separated the two major regions, *i.e.*, Andhra and Telangana as far as the municipal administration was concerned. The municipal bodies in Andhra area could experience faster democratisation compared to Telangana region mainly because of the feudal set up that existed in the Telangana region. However, during the last Nizam's regime, efforts were made to democratise the municipal bodies in Telangana also. With the formation of the Andhra Pradesh in 1956, the need for uniform municipal law for the entire state was felt resulting in the enactment of the Andhra Pradesh Municipalities Act, 1965. The present municipal administration

is based on this comprehensive legislation. Under this Act, any local area with a minimum population of 25,000 is eligible to have a civic body. There is provision for conversion of panchayats into municipalities, if they have a minimum population of 20,000 and one lakh rupees annual income possessing urban characteristics. The municipalities are classified into five grades, *viz.*, Selection Grade, Special Grade, First Grade, Second Grade and Third Grade, based on their annual income and commercial importance. The strength of the council ranges between 20-50 based on the population.

The council, political executive, committees and the commissioner are the focal points in municipal administration. Except in the institution of commissioner, there have been considerable reforms in respect of others in Andhra Pradesh since 1965.

#### *Municipal Council*

Though there were no radical changes in the composition of the municipal council, there had been steady erosion of their authority with the withdrawal of certain local financial resources like octroi, motor vehicle tax and professional tax, indiscriminate use of the controlling powers like suppression and dissolution by the state government, and undue interference by the state government in local affairs.

Major changes that are brought out in post 1985 period relate to election of chairmen/mayor and members of the councils on party basis,<sup>1</sup> both in municipalities and municipal corporations; election of political executive directly by the voters which is considered as a significant departure from the existing system prevailing in various parts of the country; introduction of the identity cards for voters; and enhancement of the reservations.

The involvement of the political parties in municipal affairs may be considered as ushering a new era in the democratisation of municipal system. This reform has both positive and negative features and has both supporters and antagonists. The political parties being well-organised and articulate would be in a better position to manage the local affairs effectively for the welfare of the community. Further, with their well-established organisations, they are in an advantageous position to influence the power structure at state and national levels.

The other side of the coin is that there is danger of suppression of local talents. The personalities at the helm of affairs at state headquarters and party ideologies receive primary attention. The localness and self-governance in true spirit may receive secondary treatment. The recent elections held in Andhra Pradesh in 1987, corroborate these facts. The

<sup>1</sup>Section 5A, *The Andhra Pradesh Municipalities Act, 1965*, Government of Andhra Pradesh,

leadership at national and state level took active part in the electoral process. The issues which ought to have received attention in national and state level elections, received attention pushing back the local problems in most of the cases. The influence of party system is also percolated into the functioning of urban local bodies. The repercussions of such influence are too early to envisage but the experience during the last two years is any guide, politics are likely to penetrate into the municipal system too deep.

For instance, in a number of municipalities, the chairman and the majority of the councillors belong to different parties. The relationship between the councillors and the chairman is not harmonious. Even on petty issues the attitudes of the councillors and the chairman are observed to be antagonistic. As every decision has to be taken on a majority basis, there is danger that the working of the council may be stalled. For instance, in one municipality in Andhra Pradesh, the council meeting could not be conducted due to internal conflicts and lack of understanding between the councillors and the chairman. In another case, the chairman stated that as he is elected by the people he is answerable to the people and not to the councillors. This shows the emerging fragmentation in the affairs of the council. The anomalous position is that both are elected by the same voters and when they lack unity of purpose due to partisan considerations, the ultimate sufferers would be citizens who bestowed confidence on them. At the very outset, it appears that the system is prone to fragmentation, especially when the chairman and the majority of the councillors belong to different parties. However, there is also a possibility that the councillors could act as a check on the chairman.

For the first time in municipal elections, the voter photo identity cards were introduced in Andhra Pradesh to conduct elections fairly.<sup>2</sup> Though there were certain gaps and delays in the issue of identity cards, it is observed that this system has helped in curbing malpractices in the voting to a considerable extent.<sup>3</sup> It is said that about 30 to 40 per cent

<sup>2</sup>Section 12, *A.P. Municipalities Act, op. cit.*

<sup>3</sup>From a recent survey conducted by the Regional Centre for Urban and Environmental Studies, Hyderabad, it is evident that the majority of the voters are in favour of the voter identity card system. However, a number of problems were faced in the administration of the scheme. As a result, fake identity cards, misuse of official machinery by political parties, etc., were rampant in municipal elections in 1987. When the system itself is acceptable to majority of the people, there should not be second thought on its continuation due to certain administration problems which could be solved by proper training of the officials concerned. Two major issues were brought to the light by the survey: (1) whether there should be multiple identity cards for different elections or single identity card for all the elections at local, state and

(Continued on next page)

voters could not exercise their vote as they could not get identity cards in time. But this deficiency can be corrected in future elections with advance notice and educative measures to voters. This reform can be considered as an outstanding one and it can be extended to state level and national level elections in future.

Another significant reform that is brought out in Andhra Pradesh relate to the reservation system. Earlier, the reservation of seats in municipal elections was confined to councillors. The extent of reservation to SCs and STs was related to the proportion of their population to the total population of the town. The reservation is now enhanced and extended to the BCs also. In the case of councillors<sup>4</sup> and the chairman,<sup>5</sup> the total number of reserved seats are fixed at 50 per cent total seats—SCs 15 per cent STs six per cent women nine per cent and BCs 20 per cent. There are arguments in favour of and against for the enhanced reservations. In recent past there were agitations in Andhra Pradesh both in favour and against the enhanced reservations for BCs in educational institutions and administration. In the latest municipal elections in Andhra Pradesh, it is observed that political parties and even general people could not take active part wherever the position of chairman/councillor was reserved. But no politician had commented against the reservations. This is accepted as a popular measure irrespective of its merits and demerits in municipal governance.

#### *Political Executive*

The role of the political executive has undergone radical changes. The chairman of the municipalities enjoyed considerable powers over administration prior to the enactment of the Andhra Pradesh Municipalities Act, 1965. The 1965 Act provided for the Executive Committee wherein the chairman was actively involved which made his position more powerful. But with the abolition of the Executive Committee system in 1971, the powers of this committee were again distributed between the chairman and the commissioner, i.e., deliberative functions were

(Continued from previous page)

central levels; and (2) who should issue the identity cards. On the former issue, it was brought out that a single identity card should be issued to all the elections and on the latter issue the opinions were variant. The municipal officials were of the opinion that this job could be entrusted to an independent authority rather than the local bodies which lack adequate expertise and are susceptible to acute local pressures. On the voters side, some preferred the municipal bodies and others opted for an independent agency.

<sup>4</sup>Section 8, *Ibid.*

<sup>5</sup>Section 23 (1-b) *Ibid.*, (Reservation is made for each category of contestants in the entire state in case of the chairman by rotation. However, the municipality wherein reservation is made for particular category should have maximum population of that category).

given to the chairman and the execution tasks to the commissioner. The chairman is also made the chairman of the two committees, viz., Works Committee and the Appointments/Panel Committee. Thus, the status of chairman of the municipalities has been enhanced considerably over a period of time. But in the case of the mayor of the city corporations, the situation is different. Since the beginning the mayor is made a ceremonial head with very little administrative role. The standing committees enjoy certain powers and the chairman of this committee exerts more influence over administration than the mayor.

The status of the chairman/mayor is enhanced to some extent with the introduction of direct election in Andhra Pradesh. Under the present system, the chairman is directly elected by the voters of the town concerned.<sup>6</sup> In the earlier system, any ordinary person having influence over a single ward could have aspired for the chairmanship/mayorship but under the present system, the contestant for chairman needs effective personality and resources to win the confidence of the majority of the voters of the town. Further, with the involvement of the political parties, the choice of higher level leadership becomes important. It is observed that during 1986 elections, the names of contestants for chairman as well as councillors were finalised at the state headquarters. This reveals the centralization trend that is setting in municipal politics, often at the cost of local leadership and local interests.

No commensurate changes were brought out in the powers of the chairman/mayor in tune with the direct election. In municipalities, the chairman has considerable role to play in the local administration, especially in appointments, sanctions and supervision and in the recent reform the chairman could consolidate his status further. The status of the mayor remained same in spite of direct election. In fact, his agony is further aggravated with the direct election without increased powers.

The term of office of the chairman is five years as per the Act.<sup>7</sup> As the political executives are directly elected by the people, they cannot be removed by the councillors through no-confidence motions. There is also no provision for recall by the people. The only alternative left is removal by the Government on certain charges. But again it is argued that when a person is elected by the people to a position, how can he be removed by the higher level government on some cooked-up charges. This will increase the scope for state interference in municipal affairs. In the case of the mayor, the situation is worse. He is elected by the people. His electorate in cities like Hyderabad is more than that of an M.P. but he has very limited role in municipal administration. On the other hand, he can be removed by the state government for disobedience and

<sup>6</sup>Section 23 (1-a), *The A.P. Municipalities Act*, op. cit.

<sup>7</sup>Section 23 (3), *The A.P. Municipalities Act*, op. cit.

other charges. This unfortunate situation was criticised by number of mayoral contestants in Andhra Pradesh in the last elections at Vijayawada and Visakhapatnam. On the other hand, no changes were brought out in the case of vice-chairman who is elected indirectly by the councillors. This situation along with the party position is potential enough to breed instability in the municipal political system.

#### *Committee System*

The multiple committee system was abandoned in 1965 while providing for a cabinet type Executive Committee charged with the responsibility of implementing the resolutions of the council. This again was abolished in 1971 as its functioning was found to be defective. Two main committees were constituted since, then, viz., Appointments Committee and the Works Committee with a provision to constitute few more committees based on the necessity.

In the city corporations, the standing committee is made the centre of decision-making. There is also a provision to constitute subject committees to deal with the specific issues. As the mayor is not associated with the functioning of the standing committee, his influence cannot extend into the major decision-making centres. In the case of municipalities, the chairman is associated with all the committees.

#### *Urban Development and Municipal Government*

Urban development has been conceived in a limited perspective and it received very little attention in India. Consequently, few urban centres developed rapidly whereas smaller towns have stagnated. The pressure on the few selected cities became stupendous and a number of *ad hoc* measures were taken to tackle the problems like slums, urban poverty, inadequacy in civic services, housing shortage, etc. At a time when the pressure on the civic administration was mounting, the state level functionaries, instead of strengthening them were resorted to create more special purpose and development agencies to deal with the pressing demands. The technical and resource bases remained as it is and there has been continuous onslaught on the power and resource structure of the civic bodies by the higher level governments. When the civic bodies could not meet the challenges of development either they were superseded or stamped as inefficient. In Andhra Pradesh, urban development authorities were set-up in major cities like Hyderabad, Vijayawada, Visakhapatnam, Warangal and Tirupathi. They are charged with the responsibility of planning over a wider area, called development area, execution of major development projects and coordination of developments as per Master Plan.

With the creation of development authorities, the tussle for powers began between the civic bodies and the development authorities. The

development authorities are provided with wide powers to regulate and coordinate developments in the sphere of planning, land-use and building regulation. In Hyderabad, there are two development authorities, one for the development of the Old city and another for the entire metropolitan area. This apart, there is Hyderabad Metro Water Supply and Sewerage Department.

Two major problems can be identified with the constitution of special purpose bodies and urban development authorities. Firstly, the civic bodies which are democratically constituted are receiving secondary treatment and the nominated bodies which are nothing but extensions of state government departments are assuming importance. This implies development, if any, is at the cost of democracy. Secondary problem area has been inter-agency coordination which is assuming complex dimension with the proliferation of agencies, especially in major cities like Hyderabad, Visakhapatnam and Vijayawada. The inter-agency rivalries and conflicts arising out of overlapping functions and role have affected the working of urban authorities adversely.

The ultimate result of this change has been that the civic bodies are further relegated back and the state government has found an easy and smooth way to interfere in local administration. If the involvement of political parties has given scope for political interference in local governments, the constitution of special purpose bodies and development authorities has given scope for the interference of higher level bureaucracy in local affairs.

Added to this complex dimension of state-local relations, the emergence of centrally sponsored schemes has given further leverage to not only state governments but also central government to meddle with urban government problems. The schemes of Integrated Development of Small and Medium Towns, Environmental Improvement of Urban Slums and Urban Basic Services are examples of this. It is said that as the problems of slums, urban poor and small and medium towns are vital for the balanced development of the nation, the involvement of central and state governments is necessary as urban local bodies need enormous resources and guidance. The paradoxical situation is that on the one hand, the state government is continuously eroding the power and resource base of the civic bodies and on the other hand, it is coming forward as a big brother to give a helping hand.

From the above, it is clear that the reforms so far made in urban government are tuned to the interests of the state government. The introduction of direct election to chairmanship/mayorship without changing their functional role is considered to be cosmetic and superficial and the involvement of political parties in city governance is riddled with centralising tendency. Hence, there is need for radical reforms in the entire municipal administration, not just sporadic reforms which were

brought out in 1986.<sup>8</sup> Finally, there is need to decide about the role and functions of urban bodies in the scheme of federal set-up in India. Their powers and resources must be linked to their functions. Until this is done the other operational reforms cannot yield the intended results and often they lead to further complications. But the final question is, are the state and central governments ready to undertake such an exercise which will disturb the present power structure in the governmental system? □

<sup>8</sup>For instance, in Calcutta, considerable effort is made to restructure the municipal governance in 1980. The Mayor-in-Council system of government was introduced and certain changes were brought out in tax administration. Under the scheme, the commissioner is no longer a statutory authority and he has to work under the mayor. The mayor is elected by the council and the mayor in turn elects his team from amongst the councillors. A separate chairman is also elected by the council to chair, its sessions as mayor is not made the chair person of the council. The Mayor-in-Council is the real executive at municipal level and borough Committees are provided to aid the civic administration. On the lines of the Public Accounts Committee, Municipal Accounts Committee is constituted as a check on the Mayor-in-Council. The Mayor-in-Council gets dissolved once the mayor is removed. The mayor can be removed either by resignation, disqualification as member of the council or by a special resolution supported by the majority of the total number of councillors.

# *Some Lessons Learnt from Various Studies on Hyderabad Slum Improvement Project*

H.U. BIJLANI

ONE MAY ask what is so different about the HSIP (Hyderabad Slum Improvement Project) as compared to centrally sponsored Environmental Improvement projects for improving slum infrastructure which have been in operation, in thousands of slums all over the country for past two decades.

## *Slum—A Way of Life*

The difference is in approach. The HSIP looks at the slums not only as physical structure or infrastructure made out of macadam and Shahbad stone, cement and steel or pipes and joints but also as a human fabric comprising of its men, women and children for whom slum is a "way of life". The HSIP makes an effort to locate where this human fabric is hurt and what can be done with available limited resources to see that the hurt is less and the way of life becomes a shade more bearable. The HSIP has been designed, monitored and evaluated not only by the physical planners, architects and engineers but also by the social scientists, economic planners, health and nutrition experts and a large army of community development workers. The scientific studies carried out and documented may appear to be turgid or dull to a general reader but for those interested in the subject of slum improvement and upgradation programmes these provide an ocean of information from which one can pick up pebbles and re-build the future programmes nearer to the heart's desire.

## *Women in the Slum*

For example, while discussing the health profile and utilization of health services, the study makes an observation: "It was evident from the study that females had a greater risk of illness in both the old and the new city slums, the incidence being higher by 18 per cent for females in comparison to males". This simple statement brings out how the

women in the slum is perhaps the greatest sufferer: Unlike men and children, who go out to work and play, she has to remain within the surroundings throughout the day. She slogs and sweats the whole day. She is not aware where her children go, what games they play and what acts they perform. She is ignorant about many things including the matter of health care, immunization, family welfare and host of things that seem so obvious to us. "Health education", as the study says "is not a massive programme in the slums but more of a person to person discussion". It has to deal with lot of things like infant feeding, weaning practices and on knowledge and practice of oral rehydration, home remedies for diarrohea and so on.

#### *Child in the Slum*

Yet another revealing observation is about health of children under six years. The survey found nine cases of night blindness among 653 children under six years of age which works out to 14 night blindness cases in a population of 1000 children. This is an illness or handicap which is mainly attributed to vitamin A deficiencies in the diet. In a slum, however, the child suffers from many handicaps. Foremost amongst them is the neglect from parental care. The environment of the slum itself is one great handicap from which the child suffers. Should he be permitted to be a victim of such inequalities in a socialistic state? What can we do to remove such inequalities? We have seen these children grow and attain youth without any preparedness for work and employment. What we need are adequate programmes to guide the youth in the slums about opportunities of training and employment available to them. Unaided and unguided, he faces frustration and often attains the state of recklessness. His entire dream of being a useful citizen, of employment, marriage and social participation gets shattered. Even those few who are able to finish school or college education have to compete with the more privileged youth of upper classes and such a competition sows seeds of hatred. The result invariably leads to unhappiness. The study on income generation and employment loan scheme is an indicator of what can be done in future to train and educate the youth in a slum and make an entrepreneur out of him.

#### *Establishing a Human Bench Mark*

With growing emphasis on poverty alleviation, large number of programmes on slum socio-economic upliftment and infrastructure inputs are undertaken through variety of local, national and international agencies. However, very rarely we have been able to establish the degree of improvement achieved in the quality of slum dwellers life. Our deductions continue to be *ad hoc* and often misleading only because

we do not have a bench mark with which the results can be compared from time to time. The general household survey establishes a bench mark in form of human statistics of these slums and has been so planned to assess the impact over time. The methodology adopted took CSD (Council for Social Development) interviewers to the door-steps of respondents 400 households, covering 21 slums in the seven municipal circles of Hyderabad and Secunderabad. The statistical analysis was achieved through measures of central tendencies and dispersion, bivariate and trivariate analysis, chi-square test, students 't' test, correlation coefficients, etc.

To summarize one may mention the following findings:

- (a) In the sample slum of Hyderabad, the average household size is observed to be (4.5) with a range of 6.3 (Muslims) and 4.6 (Forward Caste).
- (b) Most of slum dwellers seem to be unskilled workers in the unorganised sector, depending on daily wages, of which construction work has a large chunk.
- (c) The household income of the sample slum dwellers seems to be not that discouraging. They have considerable number of higher income groups also.
- (d) The number of days, on an average, an earner is able to get work per month varied from 23.3 days to 20.2 days, while the group average is 21.9 days.
- (e) So far as literacy is concerned, forward caste families have recorded the highest figure (68%) while in Muslims it is 51 per cent. But in SC/ST it is still low (47%). However, these figures are well comparable with the general urban figures. The female literacy rate is low.
- (f) The expenditure on non-food items is fairly high (41%) of the total expenditure of Rs. 812. ST groups seem to be having more of total expenditure, as well as expenditure on non-food items.
- (g) The participation rate in Family Planning programme seems to be closely associated with higher income ( $r = 0.83$ ). Same is the case with sending their children to the school.
- (h) Nearly 80 per cent of the people, positively responded to contribute physically/financially in upkeeping the assets created in the slums, when once the government's help is withdrawn.
- (i) Participation in immunization programmes (Suraksha) has shown a positive response with increasing incomes. In the lower income groups, people are depending on MCH doctors visiting their slums, while at slightly higher income levels, people are going to government hospitals, private practitioners (at times), in case they miss the doses in between.

### *Concern for Economic Upliftment*

Under a Government of India policy, effective since 1972, loans for small scale enterprises (SSEs) are made available by commercial banks and they have to devote 10 per cent of all their lending to the needs of the economically weaker sections of the society. The eligible beneficiaries in the state of Andhra Pradesh have been defined as members of SC and ST, backward castes, minority groups and women. However, they have to provide collaterals and securities required by commercial banks. The National Credit Guarantee Insurance Corporation guarantees loans to the extent of 80 per cent of the total. The remaining margin money is made available by the A.P. Finance Corporation. A related activity in the slums is to help the slum dwellers in obtaining loans for employment generation sponsored through the Co-operative Finance Corporative for the poorer strata. The employment loan scheme study evaluates the impact of these schemes in slum areas of the twin cities of Hyderabad and Secunderabad through a purposive sampling method as by preparing separate questionnaires to collect information from the bank officials, basthi leaders and beneficiaries. In each of the slums where there was a concentration of specific trades, at least five beneficiaries of each trade were selected and studied. In all a total sample of 100 beneficiaries spread over eight trades covering 14 slums has been covered under this study. The study employs techniques like chi-square test, correlation and Standard Deviation. Mostly percentages, averages and frequencies have been used leading to following important findings:

- (a) Slum dwellers have received a smaller share of the loans than their numbers in the population, consequently the benefits accruing to them is also small.
- (b) The norms followed by the banks work against the fresh job seekers and those without experience in a particular trade.
- (c) The lack of motivation of particular sections of the Slum Community (*e.g.*, Muslim women in *burqa*) to go through the hassle of loan procedures may be a factor limiting their number in the programme.
- (d) The entire methodology of target setting for loans to need re-examination as there is no allocation separately for slum and non-slum areas, but there are targets set for each bank branch.
- (e) Most beneficiaries as well as bank officials have expressed satisfaction with the present procedure for selecting the beneficiaries.
- (f) A person is given loan only for the trade he had worked earlier, even if the trade is not profitable.
- (g) The quantum of loan is inadequate for successful business, conse-

quently the beneficiaries had to turn to other sources like money lenders, friends, relatives, etc., to make up the shortfall.

- (h) The beneficiaries and most basthi leaders interviewed were not aware of the distinction between margin money as bank loan.
- (i) Many beneficiaries pointed out that there should be single agency for issue of loans as well as recovery of loans.
- (j) Sixty six per cent of beneficiaries reported increase in income, 42 per cent reported savings as a result of scheme and had utilised them for the purchase of tangible assets, expansion of business, marriage, medical and educational expenses.
- (k) Seventeen per cent of the loanees had discontinued the trade for one reason or the other, ten per cent reported no improvements in income and seven per cent did not take up any activity.
- (l) A greater impact has been in terms of rising expectations and aspirations as is evident from the sudden upsurge of loan applications from slum residents.

#### *Health and Nutrition Care*

A set of six different questionnaires were canvassed in each slum to assess the health and nutrition inputs, and pre-school education inputs to assess the health and nutrition status of the community and to study the extent to which the slum dwellers have access to these services as well as the extent of programme participation and utilisation of the services. A total number of 512 household schedules were covered in 20 scheduled slums of three categories namely "ODA Intensive Slums", "ODA Non-intensive Slums" and "Non-ODA Slums"—both in old and new city areas.

The summary of findings indicates:

- (a) 4.3 per cent of children under six years in the sample are severely malnourished and another two-fifth children are found to be normal; the remaining are in-between these two categories. In ODA slums it was 4.0 per cent against 5.2 per cent in Non-ODA slums.
- (b) Ignorance of mothers about doses of immunization was higher in Non-ODA slums.
- (c) Clinical signs among children were cold, cough, pallor of eyelids, lower lips and tongue, angular stomatitis, emaciation, worms and scabies. One-fifth of the children had visible signs of malnutrition (marasmus, anaemia, etc.)
- (d) Two-fifth of children had no doses of immunization and more than half of the children had partial doses and the rest were fully immunized.

- (e) Only 20 per cent of children of 0-5 years received vitamin 'A' and it was very low in Non-ODA slums.
- (f) In pregnancy wastage and child mortality, the foetal wastage (miscarriages and still births) accounted for 4.7 per cent pregnancies. The average number of live births per women was 3.238 out of which 2.875 were living at the time of the survey. The proportion of surviving children works out to 89 per cent. About 60 per cent of the deaths had occurred during the first years.
- (g) Two-thirds of the currently pregnant women had some antenatal care. Sixtytwo per cent of those who had completed pregnancy during the last five years received antenatal care.
- (h) One-third of the total of the sample (pregnant women) had home delivery, and two-thirds utilised government service, family welfare clinics or private clinics.
- (i) From the total sample, 98 per cent is aware of the Family Planning. In this 98 per cent Tubectomy and Vasectomy are the most widely known methods of family planning. But only one-third are found to be practicing family planning.
- (j) In one-third of the households one or more members had reported of illness. One-tenth of sample population had reported illness during preceeding month. Half per cent of these were under five years; one-fifth of infants suffer from measles, diarrhoea and malaria.
- (k) One-sixth of the sample population never consulted a doctor. Among those who consulted; two-thirds went to private doctors. Reasons for not using government services were inaccessibility and inadequate care taken by the personnel in government clinics.
- (l) The nutrition programme suffered from complaints of distribution being not proper, the muruka supplied caused diarrhoea, its storage was hygienic and till children got used to it the same was not passed on to goats and other domestic animals who also refused to eat it.

#### *The Mole in the Slum*

Whatever be the quality of the survey and howsoever carefully it be designed the respondent always views the interviewer with same degree of doubt and can never treat him as an insider. It is, therefore, perhaps necessary to plant a mole in the slum who is identified as one of the slum residents and who discusses the issues with the rest of slum dwellers as one of their own-during evening chats in *chaupal* or over a *hukka* session. The mole is an anthropologist and the study he carries out is called a study of Social Processes in a slum. The slum in

question was Lower Panjagutta. This is an anthropological study in order to understand how changes take place over a period of time with changing forms of external intervention that are worked out at the micro level and the impact on the levels of individual slum dwellers. As an insider and as one of residents of the slum, the anthropologist can study the relationships of the slum residents with outsiders more intimately including the internal clearages within the slum. Thus he can understand the historical background and processes of social change in a far better manner than all other methods of studies can reveal. Even employment patterns, income generating activities, land tenure, political security, degree of satisfaction with infrastructure known become quite clear and the anthropologist can draw a better picture than other outsiders. More difficult relationships amongst ethnic caste divisions, impact of rich or prominent leaders or even the locally powerful persons in the slum dwellers, their aspirations and perceptions, effect of development programmes in various caste groupings can also be studied intimately through this method of combined participant observation and purposive sampling. A structured questionnaire is also prepared for quantitative information to support the qualitative impressions of the study. Lower Panjagutta slum was selected mainly on the basis that no one ethnic/caste group dominated and no housing provision existed. A sample of 250 households was selected purposively for the study which employed techniques of frequencies and percentages. The study reveals that before onset of HSIP programme the slum dwellers lacked proper infrastructure facilities, community halls, *balwadis*, drinking water facilities, etc. Now the slum dwellers have a leadership which has solved their problems to some extent. The slum is also occupied by different caste groups. There is kinship and understanding which has resulted in good human relationship. Most of slum dwellers have ownership of their houses. The 'Chitti' business has a distinct impact on their life style and they have inculcated habit of saving. Socially and culturally the slum presents a happy picture.

#### *The Environmental Engineering and the Infrastructure*

Financially almost 90 per cent of funds are spent on infrastructure facilities. The study aimed at evaluating the infrastructure and civic environmental engineering amenities like, sewerage and toilet facilities, water-supply, roads and pavements, storm water drainage system, street lighting, solid waste management, etc. It investigates whether the design aspects at the project formulation stage investigated what was the appropriate technology and whether during execution the monitoring system took adequate care to see that implementation was technically and financially adequate. Out of 207 slums, 42 were selected at random for this study.

The most important aspect that strikes is the underground sewerage system provided in large number of these slums. It is well known that in Hyderabad there is paucity of water and the supply is limited for an hour or two through hydrants or pipe connections and that too on alternative days. The water collected by the families and stored is hardly sufficient for their daily essential activities. On the other hand it is well known that the underground sewerage system works on the principles of hydraulics and unless sufficient quantities of water are not available to flush the sewage to flow in the underground pipes by gravity, the sewage is going to stagnate in the underground pipes which act as storage or septic tanks. In other words an environmental situation has been created in which people are sitting over mounds of sewage lying inside the pipes and when the pipes get full with passage of time, the problems can erupt in various forms of diseases, epidemics and wastage of funds. The study revealed many cases when under ground sewers were not connected to any outfalls and others which were connected to existing septic tanks of inadequate capacities where large quantities of sewage keep continuously coming in and flowing out into nearby nallas and then flow through these throughout the city spreading pollution far and wide. The situation shows that the problem itself was not examined in detail and willy-nilly provisions were made which were technically not appropriate. Similarly, providing covered storm water drains in these areas where people push through rags, cinders and household garbage into these drains shows that enough thought has not been given to the system which gets continuously choked and the slabs covering the drains remain almost permanently removed in places to facilitate drain cleaning. Yet another example of inappropriate design are many narrow lanes where electric poles have been provided in the centre of the street mounted with overhead electric wires which are so dangerously close to the adjoining balconies that a child in mother's lap can bend over and easily catch them. The study reveals many such situations in various fields of engineering. The intention is not to criticise but to provide a pointer to future. Slum up-gradation or environmental improvement projects are going to be a continuous and longdrawn affair. It is, therefore, essential that we provide adequate thought to these provisions on many counts. The schemes are being executed for poorer sections of the society and all the more it has to be ensured that quality is good, quantum of facilities adequate and the engineering design and technology appropriate. The maintenance of these facilities is yet another problem. The civic organisations are generally apathetic and prefer not to burden themselves with the maintenance problems. This is a far more difficult problem and needs a careful consideration of the government.

Removal of garbage and its disposal is a subject which is conveniently forgotten. The result is that garbage is either pushed into drains and

sewers or spread and strewn over in nearby open spaces, back lanes, etc. Handling garbage even in well laid out colonies is a problem that needs specialised handling. In slums and squatter areas the problem is doubly difficult. May be that is why scant attention is paid to it. But largely it is due to the fact that not many realise that it is not a simple matter of engaging a few sweepers to cart it in hand carts but garbage collection and removal is a specialised management problem where often specialised tools, vehicles and plants have to be designed to remove garbage, quickly, efficiently and dispose it off scientifically.

#### *Future Indicators*

In spite of the problems documented here, it must be said that Hyderabad Slum Improvement Project funded through UK Government's ODA funds is one of the glittering examples of slum improvement and upgradation. It combines the Socio-economic, Health, Education aspects with a wide range of infrastructural investments. It attempts to bring together variety of Private, State and Central Government funded programmes together and makes an effort that the slum dweller should benefit from these. The drawbacks noticed have been brought out with an intention to learn lessons for the future and find ways and means to see how to make future projects and "Slum Upgradation Programmes" more meaningful.

Except for very few municipal bodies, the department of urban community development is either non-existent or even if it is there, it is only in name. For any organisation undertaking slum upgradation or Environmental Improvement Programmes it is essential to have a strong Urban Community Development Department. This is the department which provides linkages with the slum dwellers on one side and the management on the other. It also makes various departments of the management respond to the project in an integrated manner.

All slum upgradation programmes concentrate on the slum area as a whole and not on improvement or upgradation of any particular target group. In fact the physical programme inputs cannot differentiate within the slum area between those who are poor and those who may be better-off. It does not discriminate between the rich and poor and all package components are available to all slum dwellers. However the studies have revealed that some slum dwellers are obviously in a better position with TV sets, refrigerators, scooters and so on. How can our programmes reach the poorest of the poor is thus one important factor which should agitate our minds so that the better off in slums do not corner the majority of benefits leaving the poor in a comparatively inferior situation.

Every slum has its established leadership and often many components of the project are directed to areas which are conducive to their own

advantage. In fact the study shows that these people are in full knowledge of projects financial and physical inputs and the implementation is often done in areas indicated by them to the officials which may not necessarily be the most deserving areas/slums. This is where senior level intervention has to be directed in future programmes at project formulation, implementation and monitoring that those who deserve and the poorest population for whom the programme is intended are not left out.

Although the physical infrastructure inputs cannot differentiate between the poor and the rich, the other components namely the socio-economic inputs which reach the people directly and where the woman and the child and the slum dweller is visible, it can be ensured that the most deserving must benefit from the programme and the richer strata do not skim off the benefits meant for poorer sections of the society.

The socio-economic programmes as provided in HSIP are a conglomeration of different programmes as they existed in the pattern of State Government and are staged at newly created focal points in form of Balwadis and Community Halls. These programmes are either to be modified or restructured to be more effective and useful to the slum dwellers. At the same time it has to be appreciated that Balwadis and Community Halls have to be designed spatially as starting points for generation of programmes in slums which reflect the felt needs of the population.

The basic need in a slum is to build up a cohesive nucleus amongst them in form of their own Registered Cooperative Societies, other social and cultural organisations. It is worthwhile to identify and locate already existing organisations like youth clubs, women's associations, etc., and build them up. Through such Registered Cooperative Societies and other social and cultural organisations, the community development workers can operate Housing Programmes by obtaining soft loans for them, training programmes both vocational and others as well as adult education, children literacy and other similar activities like sewing centres, etc.

Providing tenure to slum dwellers is a very important and successful intervention. Any slum upgradation programme should begin with a socio-economic survey and prepare a correct list of slum residents. This is a stage where powerful forces can come into play to add, substitute and modify the names. These forces must be dispelled and it needs intervention and supervision at a senior level to see that the list contains names of *bonafide* slum dwellers only.

Inputs of housing is indeed a strong factor in raising people's expectations and motivations. But it is seen that all efforts of the management as well as beneficiaries get concentrated on this one activity with the result that host of other inputs touching the human fabric of slum

recede in the background and thus suffer a setback in their implementation. Perhaps more beneficial approach would be to lay stress on house improvement programmes and providing affordable shelter opportunities to larger numbers rather than concentrate on pucca housing programmes which ultimately benefit the upper strata and the influential groups in a slum. The emphasis should therefore be on tenure rights and basic services which can benefit a large population of slum dwellers in providing them an affordable shelter. It should always be ensured that programme should never aim at giving away "too much" and that also "too soon"—a policy which will ultimately benefit only the unintended groups.

The bulk of funds for slum improvement projects go for physical infrastructure and it is seen that initial preparatory work is rather inadequate in preparing detailed layouts based on recent physical surveys showing existing facilities and balance work to be done. Based on these layouts detailed estimates have to be prepared on current prices to which one must add contractors prevailing rates and an increase in cost during the project period. Then alone the project estimates can be realistic. The other major drawback in the projects is the type of technology we choose in providing the infrastructure. In this respect most of us suffer from what may be called "Urban Arrogance". Even though we do know that the target group comprises the poor, our plans and technologies continue to be elitist. We continue to show off our skills in the form of costly and westernised methods of sewage disposal even when the same are inappropriate due to scarcity of water-supply. We propose wide avenues and fly-overs even though a large number of beneficiaries travel on cycle. It must be ensured that the technology proposed is appropriate and regulations controls are such that a low cost structure within the affordable limits of beneficiaries is possible.

Successful integration of various inputs in a slum upgradation project will involve effective coordination of a number of departments which otherwise have a traditionally independent working environment. The approach adopted has to be based on community participation at different stages of implementation—more particularly in identification of needs both in the infrastructure programme and socio-economic components including health, education and other community needs. No two slums are alike and no two families in a given slum are alike. It should thus be kept in focus that the package should lead to:

- (a) Environmentally acceptable shelter where infrastructure improvement are necessary.
- (b) Improved approaches in slums due to paved roads and streets which are adequately drained.

- (c) Additional supply of serviced land providing increased opportunities for affordable low income shelter.
- (d) Increased efficiency of civic organisation to acquire plants and equipment for collection and disposal of garbage.
- (e) Improved sanitation partly through sewerage system and where this facility is not feasible or appropriate through low cost sanitation methods and technology like pour-flush individual or community toilets.
- (f) Better socio-economic conditions of slum dwellers by providing pre-primary education in Balwadis and Anganwadis, immunization to all eligible children, nutrition and health programmes, family and child welfare, referal services, income generation and training programmes, non-formal education and adult education programmes which will help school going children, school drop-outs and women.
- (g) Develop cohesiveness and community participation leading to ultimate integration of slum dwellers with the rest of the city population and making them aware of opportunities and facilities available to them as citizens.
- (h) Technical assistance, training programmes with a view to make available to slum dwellers additional skills to augment their income and also to help them in understanding the new facilities that are being made available to them under the programme—their use, safeguard, maintenance aspects and above all the feeling of facilities belonging to them.
- (i) Formation of cooperative societies, youth clubs, women forum, etc., to facilitate their approaching financial organisations and banks for loans to put up improved shelter, housing facilities, trades, etc., and also to propagate social awareness—programmes to tackle problems of drug addiction, smoking and alcoholism.
- (j) Maximising environmental hygiene—sanitation infrastructure inputs by developing a community-based participator, primary health care programme within the slum communities.
- (k) In a multi-dimensional habitat project which deals with upgradation programme of economically weaker section of society, post project maintenance and sustainability is the most challenging aspect of the project. Often the question is left un-answered and in some cases even unaddressed. Somewhere at the back of our mind is a vague tranquilising thought that the aid receiving agency will do something about it with people's participation. But project get completed and the physical and socio-economic infrastructure decays for a simple reason that adequate attention was never paid to this aspect. One could leave this problem with a simple answer that the infrastructure will be left in the hands of

the municipal body for maintenance and if it's fiscal position is not very satisfactory it will approach the State Government for additional support to sustain this responsibility. This approach though within four corners of the prevailing legal and administrative framework leaves one in doubt about the future fate of slum dwellers. More than that it does not fit into the strong socio-economic and community development approach that we suggest. Its best effect will be felt and realised in the programme of maintenance with people's involvement, through community cohesive forces, their committees, their organisations, their joint efforts, their aspirations which the investment in this community development effort is going to build. □

# *Urban—Development and Public Policy: East Calcutta Experience*

NITAI KUNDU

PLANNING IS a commitment to a future course of action. In any planning exercise the planners has always to make a choice among a number of available alternatives. Hence one has to imagine alternate scenarios that are most likely to occur, if specific decisions or choices are made.<sup>1</sup> The present article is focused on planning choices in regard to the eastward expansion of Calcutta metropolis. According to Calcutta Metropolitan Development Authority (CMDA), East Calcutta confines within both non-municipal urban and rural areas in the Eastern Fringe of Calcutta. Already the Salt Lake City has come up on the eastern fringe and some more areas are likely to be added. Against this background one has to recapitulate the consequences of past decisions and visualise the future options that are available to the city planners.

## BACKGROUND

The city of Calcutta was set up on the swampy areas beside the river Hooghly by the British rulers.<sup>2</sup> The British planners directed the city's drainage towards the eastern swampy area of the Salt Lake as the city inclines to the east. Since the British rule, East Calcutta, thus, has been used as drainage basin and garbage dumping ground<sup>3</sup>. In 1950 Government of West Bengal for the first time introduced a township plan in this area to disperse a portion of the additional population from the city, as Calcutta City was unable to accommodate the large refugee population that poured into the city after partition.<sup>4</sup> Later some other

<sup>1</sup>Cris, Paris, *Critical Reading in Planning Theory*, London, Pergamon Press, 1982.

<sup>2</sup>S.W. Goode, *Municipal Calcutta: Illustration in their Origin and Growth*, Corporation of Calcutta, Edinburg, 1961.

<sup>3</sup>C.C. Chatterjee, *Calcutta Drainage Works*, Corporation of Calcutta, 1921 and *Dhape Lease Papers*, Corporation of Calcutta.

<sup>4</sup>K.P. Thomas, *B.C. Roy, West Bengal Pradesh Congress Committee*, Calcutta, 1955, p. 24.

planned developments like Eastern Metropolitan Byepass (EMB) Baishnabghata-Patuli township and East Calcutta township, have taken place in the eastern fringe area which, in the process, has been exposed to urban invasion, so to say.

At present, due to the construction of EMB and its different connectors, provision for improved drainage and drinking water facilities, the entire eastern fringe of Calcutta is getting urbanised at a very fast rate. Unplanned developments are visible in the area under pressure from market forces. To control such unplanned growth, government is trying to formulate a comprehensive plan where all aspects of planning would be properly considered.<sup>5</sup> In the course of formulation of such a plan, government seems to be considering different options relating to the land-use question in East Calcutta. The debate on viable land-use in East Calcutta has become one of the fundamental issues to the urban planners and policy makers dealing with East Calcutta planning. The change of land-use in East Calcutta is not really a new issue; rather it is a follow-up action of the establishment of the Salt Lake township. The construction of Eastern metropolitan bye-pass for a short cut corridor of the city from North to South has intensified the issue. Urban policy makers in this context had to undertake such decision as an *ad hoc* decision probably to inter-connect the north-south urban poles and to facilitate accessibility to habitable land in and around the bye-pass. Before the establishment of the Salt Lake City the vast area in East Calcutta was almost virgin. The area was a marshy land producing fishes, vegetables and paddy.

Large scale refugee population influx compelled the urban policy makers to move the city towards the east and build the Salt Lake City which, it was felt, would have easy accessibility to the core city.

#### METHODOLOGY

In this article, an attempt has been made to collect data both from primary and secondary sources. The former involved a field survey covering two groups; one, displaced due to urban expansion, and another facing the threat of displacement. There are four types of people within the 'would be' displaced category, *viz.*, owner pisciculturist, pisciculture labour, agriculturist and agriculture labour. On the other side, displaced category consists of two types of people, *viz.*, displaced and resettled. These six categories have been interviewed to know about their views on urban expansion, total number of respondents being 750. Secondary data include past history of Calcutta, Calcutta Corporation's Gazette and different reports relating to East Calcutta.

<sup>5</sup>A Report on Preliminary Concept Plan for Development of Eastern Part of Calcutta CMDA Report, nd, p. 1.

## PRESENT CONDITION OF EAST CALCUTTA

Present land use pattern in East Calcutta is mainly confined to pisciculture and vegetable cultivation. Since the British period, pisciculture has been done with city's sewage. But commercial practice was introduced in 1929 by the private entrepreneurs<sup>6</sup>. Easy available sewage has boosted up the practice in latter period particularly after the introduction of Kulti Outfall scheme<sup>7</sup> introduced by B.N. Dey, Eminent Engineer of the Corporation. In the course of field survey it is found that at present almost the entire practice is controlled by private entrepreneur (Table 1). Data presented in Table 1 show that private entrepreneurs have occupied about 93 per cent of the total piscicultural land. The existence of government organisation is only six per cent. Cooperative farming either in private land or under government possession is almost negligible (*i.e.*, less than 1%).

TABLE 1 TYPES OF PISCICULTURE IN EAST CALCUTTA

| <i>Types of holding</i>   | <i>Area</i> | <i>Percentage</i> |
|---|-------------|-------------------|
| Private   | 6520        | 93.14             |
| Cooperative farming   | 60          | 0.86              |
| State Fisheries Development Corporation (Government Organisation) | 420         | 6.00              |
| <b>TOTAL</b>  | <b>7000</b> | <b>100.00</b>     |

SOURCE : Field Survey.

TABLE 2 SIZE OF LICENSED SEWAGE-FED FISHERIES IN EAST CALCUTTA

| <i>Size of pond<br/>(in acres)</i> | <i>Number of ponds</i> | <i>Percentage</i> |
|------------------------------------|------------------------|-------------------|
| Small (up to 30)                   | 113                    | 64.22             |
| Medium (31-100)                    | 34                     | 19.31             |
| Big (101 and above)                | 29                     | 16.47             |
| <b>TOTAL</b>                       | <b>176</b>             | <b>100.00</b>     |

SOURCE : Directory of Sewage-Fed Fisheries in East Calcutta, Fisheries Department Government of West Bengal.

<sup>6</sup>Institute of Wetland Management and Ecological Design's Report *Waste Recycling Region for Calcutta*, Nov. 86, p. 4.

<sup>7</sup>B.N. Dey's Outfall scheme was an attempt to direct the city sewage towards the river Kulti.

Table 2 shows that majority of the licensed sewage-fed fisheries (about 64%) fall in the small holding category. Medium and big holding categories have attained the second and third ranks, respectively.

Pisciculture using city's sewage started after the silting up the bed of Bidyadhari river and the subsequent introduction of B.N. Dey's Kulti Outfall scheme on the low marshy land. The introduction of such scheme fostered the cultivation to a considerable extent.

Table 3 illustrates that almost 83 per cent of the respondents did not change the land-use character. Only 13 per cent respondents are at present engaged in pisciculture mainly converting land into piscicultural pond. This proves that pisciculture was started by their previous generation. In another interview about 97 per cent of the respondents admitted that their previous generation was fisherman.

Pisciculture in the East Calcutta has provided the rural poor with employment. Respondents informed that efforts are being made to employ local fishermen (including displaced fishermen from the adjoining areas and some migrant labour of 24 Parganas) in pisciculture.

Table 4 shows that 65 per cent of the pisciculturists employed the local labour while 30 per cent of the respondents employed migrant labour from adjoining districts. Thus the pisciculture in East Calcutta provides employment to the unemployed of local and adjoining districts.

TABLE 3 OLD LAND USE PATTERN

| <i>Old land use</i>   | <i>Frequency</i> | <i>Percentage</i> |
|-----------------------|------------------|-------------------|
| Pisciculture          | 50               | 83.33             |
| Vegetable cultivation | 2                | 3.34              |
| Marshy land           | 8                | 13.33             |
| <b>TOTAL</b>          | <b>60</b>        | <b>100.00</b>     |

SOURCE : *Field Survey*.

TABLE 4 SOURCES OF LABOUR SUPPLY

| <i>Place of origin</i> | <i>Frequency</i> | <i>Percentage</i> |
|------------------------|------------------|-------------------|
| Local                  | 39               | 65.00             |
| 24-Parganas            | 18               | 30.00             |
| Others                 | 3                | 5.00              |
| <b>TOTAL</b>           | <b>60</b>        | <b>100.00</b>     |

SOURCE : *Field Survey*.

## VEGETABLE CULTIVATION

Vegetable cultivation in East Calcutta started immediately after the Calcutta Corporation began to dispose of the solid wastes in that area. To make the disposal system effective the responsibility of unloading the city's solid wastes was given to the local zamindar, Bhabanath Sen. It was decided in the contract that Sen would get the right to cultivate on the filled up area of East Calcutta. Sen family in later period, sub-let the prepared land to the local cultivators at a fixed rate. A partition of that rent was allotted to the Calcutta Corporation. Thus unlike pisciculturists, vegetable cultivators do not own land but possess it since it is cultivated by them.

Table 5 shows that only about 41 per cent of respondents have been cultivating for a very long period. Other (nearly 60%) have been cultivating their plots for a short period. Again about ten per cent of the respondents have very precarious right to cultivation. In reality the original tillers recorded in the register of Calcutta Corporation often have let out their land to other farmers. The sub-letting is of two types: *Korpa* for one year and *Bandhok* for several years.

TABLE 5 LAND HOLDING PATTERN IN DHAPA  
(EAST CALCUTTA)

| <i>Period of tenure</i>                    | <i>Frequency</i> | <i>Percentage</i> |
|--|------------------|-------------------|
| Cultivating for a very long period         | 62               | 40.78             |
| Cultivating for more than 10 years         | 67               | 44.17             |
| Cultivating for less than 10 years         | 8                | 5.18              |
| Cultivating without any security of tenure | 16               | 9.87              |
| <b>TOTAL</b>                               | <b>152</b>       | <b>100.00</b>     |

SOURCE : *Field Survey*.

TABLE 6 PATTERN OF LEASE

| <i>Type of lease</i>             | <i>Frequency</i> | <i>Percentage</i> |
|----------------------------------|------------------|-------------------|
| One year ( <i>korpa</i> )        | 44               | 28.95             |
| Several years ( <i>bandhak</i> ) | 26               | 17.10             |
| Not applicable                   | 82               | 53.95             |
| <b>TOTAL</b>                     | <b>152</b>       | <b>100.00</b>     |

SOURCE : *Field Survey*.

From Table 6, it appears that only 46 per cent of the respondents fall under either of the above two categories. But the majority (54%) of the respondents is not cultivating under the sub-letting system.

Out of the 152 respondents, only 70 (56.05%) were found working under the sub-lease system of cultivation which is surely not an insignificant number. In this category of cultivators, the majority (65.72%) has been cultivating their plots for a decade and more. There are only ten respondents (14.28%) cultivating between six and nine years, and nine (12.86%) between three and five years. The number of cultivators cultivating for a very short period (1-2 years) is only five (7.14%). This shows that the turnover of cultivators (including their land) cannot be considered high. Most of the cultivators seem to have a secure tenure (Table 7). This, of course, does not include those 15 respondents shown in Table 5 who have reported insecure tenure.

It is clear from Table 8 that majority of the sub-lessees belongs to small holding category, next in importance being the categories of (32.85%) and large sizes (24.29%).

The sub-lessees are in-migrants whose entry into Calcutta seems to have been facilitated by their relatives. Out of 70 sub-lessees, as many as 65 confirmed this. This shows a 'family-relative' chain operating to bring people from outside. Interestingly, from the responses it appears

TABLE 7 PERIOD OF SUB-LEASE CULTIVATION

| <i>Period of Sub-letting</i> | <i>Frequency</i> | <i>Percentage</i> |
|------------------------------|------------------|-------------------|
| 10 years and above           | 46               | 65.72             |
| 6 years-9 years              | 10               | 14.28             |
| 3 years-5 years              | 9                | 12.86             |
| 1 year-2 years               | 5                | 7.14              |
| TOTAL                        | 70               | 100.00            |

SOURCE : *Field Survey.*

TABLE 8 TYPE OF SUB-LEASE PEASANTS

| <i>Size of plot</i>          | <i>Frequency</i> | <i>Percentage</i> |
|------------------------------|------------------|-------------------|
| Large (41 kathas and above)  | 17               | 24.29             |
| Medium (21 kathas-40 kathas) | 23               | 32.85             |
| Small (1 katha-20 kathas)    | 30               | 42.86             |
| TOTAL                        | 70               | 100.00            |

SOURCE : *Field Survey.*

that 17 (24.29%) out of the 70 respondents (who are sub-lessees) had obtained their land from non-Bengali lessees—14 (20%) from Bihar and three (4.29%) from Orissa.

On account of informal arrangements that prevail in the area, the respondents (sub-lessees) are generally reluctant to discuss their links with their lessees. Obviously, this is due to the fear of eviction. At the time of field survey, it became evident that the cultivators were not willing to discuss the issue of tenure. Thus the field data reveal that 77.14 per cent of the respondents know that their landlords (lessees) are occupying the land legally.

The sub-letting system in land involves large sum of money as rent, or high rate of concentration of farmers in a situation of scarcity of cultivable land in the metro fringe. It may also be a peculiar feature of the peri-urban economy where demand for land is very high (Table 9).

It appears that average rent per *bigha* is above Rs. 300. Ninety per cent of the respondents admits that the rate of annual rent per *bigha* is above Rs. 300 (Table 10).

From the data presented in Table 11, it is clear that the majority of the lessees belongs to large holding category (57.32%), the medium holding category being second in importance (34.14%). The small holding

TABLE 9 PLACE OF ORIGIN OF SUB-LESSEES' LAND LORD  
(LESSEE)

| <i>Place of origin</i>  | <i>Frequency</i> | <i>Percentage</i> |
|-------------------------|------------------|-------------------|
| Bihar                   | 14               | 20.00             |
| Orissa                  | 3                | 4.29              |
| Midnapur                | 13               | 18.57             |
| Howrah                  | 2                | 2.86              |
| Mathpukur (near Tapsia) | 16               | 22.85             |
| Local                   | 22               | 31.45             |
| TOTAL                   | 70               | 100.00            |

SOURCE : *Field Survey*.

TABLE 10 RATE OF ANNUAL RENT PER BIGHA

| <i>Annual rent per bigha<br/>(in rupees)</i> | <i>Frequency</i> | <i>Percentage</i> |
|--|------------------|-------------------|
| 101-200                                      | 2                | 2.86              |
| 201-300                                      | 5                | 7.14              |
| 301 and above                                | 63               | 90.00             |
| TOTAL  | 70               | 100.00            |

SOURCE : *Field Survey*.

category appears as the least important (8.54%). This is in sharp contrast with the earlier data presented in relation to the sub-lessees, where the relatively small holding category was in the majority.

According to Table 12, 46.05 per cent of the respondents possesses their land due to continuation of cultivation since the enactment of contract between Sen family and Calcutta Corporation. But nearly 54 per cent of the respondents expressed their perception that the support of the political parties is the source of occupancy right. From this it may be understood that the role of political parties is one of the most important determinant factors in possessing the land or ensuring the tilling rights on Dhapa land.

#### PERCEPTION OF DISPLACED PERSONS ABOUT URBAN PLANNING

Theoretically, urban planning aims at the betterment of urban people at large. But in the execution of planning a section of people is kept outside its benefits. In the execution of the government policy regarding the establishment of Salt Lake City, a section of the local persons was not consulted. These persons reported their adverse attitude towards government policy.

Table 13 shows that nearly 85 per cent of the respondents reported the adverse effect of expansion; very few are against it. Economic betterment is an Umbrella term which covers a number of improvements.

TABLE 11 LAND HOLDING PATTERN OF LESSEES

| <i>Size of plot</i>             | <i>Frequency</i> | <i>Percentage</i> |
|---------------------------------|------------------|-------------------|
| Large (41 kathas and above)     | 47               | 57.32             |
| Medium (21 kathas to 40 kathas) | 28               | 34.14             |
| Small (1 katha to 20 kathas)    | 7                | 8.54              |
| <b>TOTAL</b>                    | <b>82</b>        | <b>100.00</b>     |

TABLE 12 PATTERN OF MAINTENANCE OF OCCUPANCY OF LAND

| <i>Issues relating to the maintenance</i> | <i>Frequency</i> | <i>Percentage</i> |
|---|------------------|-------------------|
| Occupation over long period               | 70               | 46.05             |
| Help from political parties               | 30               | 19.74             |
| Help from present ruling parties          | 35               | 23.03             |
| Not applicable                            | 17               | 11.18             |
| <b>TOTAL</b>                              | <b>152</b>       | <b>100.00</b>     |

SOURCE: *Field Survey.*

First of all, change in occupation has been undertaken to assess the economic strain of urban expansion on the population. According to the information tabulated in Tables 14 and 15, respondents were confined to pisciculture either as owner or labour. But after retrenchment respondents have to switch over to their choice of occupation. In fact, the respondents are trying to engage themselves, in traditional occupation, i.e., pisciculture. Thus, nearly 33 per cent of the respondents are confined to pisciculture. But a number of respondents had to shift their choice to other occupations, e.g., construction work (15%). A number of females (about 10%) has moved out for jobs. They are employed as maid servants in the township which is also uncertain. Thus the uncertainty and crisis in occupational structure compelled them to be involved in anti-social activities. Nearly eight per cent respondents are earning their livelihood by pulling rickshaws and running small business like tea stall, grocery shop, etc.

In the ultimate analysis it appears that urban expansion appears to the local people as a break-through in their traditional occupation.

Economic settlement such as provision for new employment and others has not yet been provided by the government to the displaced people.

TABLE 13 PEOPLE'S PERCEPTION ABOUT ECONOMIC BENEFITS RENDERED BY URBAN EXPANSION POLICY

| <i>Response</i>    | <i>Frequency</i> | <i>Percentage</i> |
|--------------------|------------------|-------------------|
| Great loss         | 128              | 85.3              |
| No Profit, no Loss | 14               | 9.6               |
| Profit             | 8                | 5.1               |
| <b>TOTAL</b>       | <b>150</b>       | <b>100.00</b>     |

SOURCE: *Field Survey*

TABLE 14 PREVIOUS OCCUPATION OF RESPONDENTS

| <i>Previous occupation</i> | <i>Frequency</i> | <i>Percentage</i> |
|----------------------------|------------------|-------------------|
| Owners (pisciculturist)    | 63               | 42.0              |
| Labour                     | 66               | 44.0              |
| Service                    | 10               | 6.6               |
| Unemployed                 | 11               | 7.4               |
| <b>TOTAL</b>               | <b>150</b>       | <b>100.00</b>     |

SOURCE: *Field Survey*.

People in this area are fishermen by their profession. B.C. Roy on behalf of the Government of West Bengal at the time of encroachment of 'Bheris' (fisheries) for the establishment of Salt Lake City assured the employment to the displaced people in the adjoining areas of Salt Lake. But the present situation does not manifest the implementation of such assurances.

Table 16 shows that majority of the respondents (nearly 78%) are dissatisfied with government for its role relating to the economic settlement of the displaced persons. Here, economic settlement refers to scope for employment and allied economic assistance.

Urban expansion displaced the local people from their shelter. Provision for new shelter for those displaced was also included in the planning for the establishment of Salt Lake City. Thus during the time of expansion, government committed to provide either accommodation or compensation for shelter to the displaced persons in the Salt Lake area.

Table 17 shows that a considerable number of displaced respondents (nearly 31%) has not yet been able to get government assis-

TABLE 15 PRESENT OCCUPATION OF THE RESPONDENTS

| <i>Present occupation</i>                | <i>Frequency</i> | <i>Percentage</i> |
|--|------------------|-------------------|
| Daily labour in building construction    | 23               | 15.4              |
| Bheri worker in government run fisheries | 13               | 8.6               |
| Engaged in unauthorised pisciculture     | 50               | 33.4              |
| Maid servant in Salt Lake City           | 16               | 10.6              |
| Engaged in anti-social activities        | 12               | 8.0               |
| Rikshaw puller                           | 17               | 11.4              |
| Small business                           | 19               | 12.6              |
| <b>TOTAL</b>                             | <b>150</b>       | <b>100.00</b>     |

SOURCE: *Field Survey.*

TABLE 16 PERCEPTION ABOUT THE IMPLEMENTATION OF GOVERNMENT ASSURANCE

| <i>Response</i>                 | <i>Frequency</i> | <i>Percentage</i> |
|---------------------------------|------------------|-------------------|
| Implemented                     | 69               | 46.0              |
| Implemented in a limited manner | 49               | 32.3              |
| Not at all implemented          | 32               | 21.7              |
| <b>TOTAL</b>                    | <b>150</b>       | <b>100.0</b>      |

SOURCE: *Field Survey.*

tance in the form of shelter. Another 31 per cent of the respondents reported their dissatisfaction regarding the role of the government in this context. Only 38 per cent reported their satisfaction relating to accommodation.

Compensation for the property is supposed to be provided by the government. However, the perception of the respondents about the government's role in this context is not positive.

Table 18 shows that nearly 27 per cent of the respondents reported the realisation of the government compensation and nearly 39 per cent respondents received part realisation. But almost 35 per cent of the respondents did not get any compensation.

It is noticed that the displaced persons are reluctant to leave their native places. The assistance of the government in this respect became ineffective. In the course of field survey it appears that 60 per cent of respondents expressed their unwillingness regarding shifting from Dattabad (present Salt Lake) to resettlement area. Only 24 per cent are interested in shifting while 16 per cent has not yet decided. Unwillingness in this context creates problems like unplanned growth, hapazard development and congestion in newly developed area. The factors relating to unwillingness must appear to the notice of the planners.

TABLE 17 SHELTER PROVIDED BY THE GOVERNMENT

| Responses          | Frequency | Percentage |
|--------------------|-----------|------------|
| Yes                | 57        | 38.0       |
| Other arrangements | 47        | 31.3       |
| No                 | 46        | 30.7       |
| TOTAL              | 150       | 100.0      |

SOURCE: *Field Survey.*

TABLE 18 REALISATION OF THE COMPENSATION FOR ENCROACHMENT OF PRIVATE PROPERTY DURING THE SETTING-UP OF SALT LAKE TOWNSHIP

| Response            | Frequency | Percentage |
|---------------------|-----------|------------|
| Realised            | 40        | 26.7       |
| Partly realised     | 58        | 38.7       |
| Not at all realised | 52        | 34.6       |
| TOTAL               | 150       | 100.0      |

SOURCE: *Field Survey.*

Table 19 shows that present settlement can make a way for employment. Resettlement without generating employment opportunities is meaningless. Thus, nearly 37 per cent of the respondents are not interested in shifting to other places due to uncertainty in getting employment. Similarly, about 11 per cent of the respondents reported their engagement in traditional occupation, i.e., pisciculture and about 17 per cent reported their engagement in localities either as maid servant or daily labour. About 10 per cent are unwilling to shift as the present location is close to the city. They used to commute for employment in the core city.

Thus, resettlement without the provision for employment for the displaced persons cause ethical degradation which ultimately results into commitment of anti-social activities. The absence of employment opportunities in the new locality forced them to be involved in these activities which could have been avoided.

Table 20 shows that the creation of the Salt Lake City and subsequent

TABLE 19 RISK OF SHIFTING FROM DATTABAD TO RESETTLEMENT AREA

| <i>Risk</i>  | <i>Frequency</i> | <i>Percentage</i> |
|--|------------------|-------------------|
| Resettlement of physical accommodation not with employment | 55               | 36.7              |
| Retrenchment from unauthorised pisciculture                | 17               | 11.3              |
| Non-availability of job for men and women.                 | 26               | 17.3              |
| Non-accessibility with core city                           | 16               | 10.7              |
| Willing to shift   | 36               | 24.0              |
| TOTAL  | 150              | 100.0             |

SOURCE: *Field Survey*.

TABLE 20 PERCEPTION ABOUT THE INCREASE OF ANTI-SOCIAL ACTIVITIES AS AN EFFECT OF CITY EXPANSION IN SALT LAKE AREA

| <i>Response</i> | <i>Frequency</i> | <i>Percentage</i> |
|-----------------|------------------|-------------------|
| Yes             | 88               | 58.7              |
| A little        | 42               | 28.0              |
| No              | 20               | 13.3              |
| TOTAL           | 150              | 100.0             |

SOURCE: *Field Survey*.

development caused retrenchment which includes physical and economic displacement of the local fishermen. The non-availability of the employment in the newly built-up area forced the residents to involve themselves in anti-social activities such as producing country spirit (wine), robbery, theft, etc. Respondents shared this view are nearly 59 per cent whereas 28 per cent partly admits this view and nearly 13 per cent is against it.

#### PERCEPTIONS ABOUT FURTHER EXPANSION

Enlightened with the Salt Lake experience the people of the locality who are within the purview of further urban expansion expressed their opinion in favour of the present land use.

Table 21 shows that majority of the respondents (nearly 82%) do not support urban expansion, the number of supporters being very small (about 18%).

TABLE 21 RESPONDENTS FOR AND AGAINST URBAN EXPANSION

| <i>Respondents</i> | <i>Frequency</i> | <i>Percentage</i> |
|--------------------|------------------|-------------------|
| In support of      | 132              | 17.6              |
| Neutral            | 370              | 49.3              |
| Opposed to         | 248              | 33.1              |
| TOTAL              | 750              | 100.0             |

SOURCE: *Field Survey.*

Table 22 shows that the major factor responsible for respondents against expansion is the issue of cultivation. More than 50 per cent of the respondents considers that further expansion would change the land-use adversely thus affecting cultivation. Secondly, they consider expansion as a meance to their employment opportunities. Most of fishermen belong to Rajbanshi Caste and they do not have any skill other than pisciculture. So their perception is that change in land-use would lead to displacement from their traditional occupation.

To sum up, tremendous growth of population has led to a frantic search for new areas of habitation. Since East Calcutta is closest to the core city, it has been the easy prey to urbanization. Planned development has, however, to consider both containment of the eastward urban movement and balanced urban growth taking into account the historical relationship between the core city and the eastern fringe.

TABLE 22 REACTION TO EXPANSION

| <i>Reasons</i>             | <i>Percentage</i> |
|----------------------------|-------------------|
| Lack of employment         | 31.1              |
| Stoppage of cultivation    | 50.5              |
| Environmental pollution    | 0.8               |
| Prospect of new employment | 17.6              |
| <b>TOTAL</b>               | <b>100.0</b>      |

SOURCE: *Field Survey.*

# *Urban Environment—The Bombay Scene*

P.K. MUTTAGI

## BACKGROUND

BOMBAY, ONCE a congregation of seven tiny islands, inhabited mainly by a few fishermen on the west coast of India until about the middle of the 19th century, has developed into a metropolis in the last few decades. The Europeans, mainly the British, found this island to be a convenient point of entry into the vast sub-continent. They developed it for international trade and commerce. Some 40 years ago, Bombay was a congenial place for human habitation. Population was increasing tolerably, jobs were available, there were no slums and no family lived on the pavements and the established industries were thriving. No other city in India in those days could boast of such a high standard of civic service as was provided in the city of Bombay. Bombay had acquired the reputation of a dream city. It was a prosperous city and a city of opportunities<sup>1</sup>.

During the post-independence period, the quality of services offered in the city began to deteriorate. Continuous migration of the people into the city from almost all parts of India and the influx of refugees from Pakistan are the major factors which led to deterioration of the city. The changes in the rural economy and the significant rise in the agricultural labour force, with hardly any opportunity for employment in villages increased the pressure on urban areas.

## PRESENT PROBLEMS

*A. Growth of Population:* Bombay is amongst the fastest growing cities of the country. Its rate of growth outstrips not only the rate of national increase in population, but also the rate of urbanisation countrywide. The population of Greater Bombay has increased from

<sup>1</sup>Prabhakar Kunte, *Project Bombay*, 1985.

9,27,994 in 1901 to 85,05,380 as per the 1981 Census as corrected after applying the findings of the Post Enumeration Check arrived at by the Census of India. Thus, the population has increased 9.17 times in the last 80 years. The projections for the year 2001 range from 15.63 million,<sup>2</sup> and 17.05 million<sup>3</sup> to 19.1 million.<sup>4</sup> If the consistently fast increase in population in the last 80 years can be of any indication for the future, the population will touch, if not exceed, 191 lakh by the year 2001, i.e., 20.5 times the 1901 population and 2.24 times of 1981 population.<sup>5</sup>

*B. Congestion in Bombay:* The growth of Bombay is unabated. The Municipal Corporation has been extending the city limits to meet the growing needs of the people. Today it has developed into a land mass of 466.35 sq km. Being seabound, the fixed land mass of Bombay cannot be increased. With its population of 85,05,380 it had a population density of 18,238 people per sq km in 1981 which would most likely become 40,956 in the year 2001. These figures may not give any indication of congestion unless they are juxtaposed with those of other cities. London has an average density of 1,200 cities, while the European cities have densities ranging between 1,000 and 3,000. It is difficult to imagine the feeling of suffocation in the year 2001 in which 40,956 people will try to keep their foothold on every sq km occupied by 18,238 people in 1981.<sup>6</sup>

The island city with very high resident population density and ever increasing density of visiting population is by far one of the most crowded places in the world. Within Greater Bombay, the wardwise densities vary from 4,900 in T ward to 1,52,080 in C ward. In B and C wards, in addition to the country's largest wholesale trading in textiles and garments; grains and spices, chemicals and dyes, iron and steel add to the severe congestion. Over the years, the haphazard and unplanned growth of Bombay has resulted in problems of congestion of all types. Congestion of population, housing, industry, commerce and traffic have not only caused severe strain on civic services, but have also created extremely poor living conditions for the majority of the residents and upset the ecological balance.

*C. Housing:* Bombay today faces tremendous housing shortage especially for middle income groups and weaker sections of the society.

<sup>2</sup>Bombay Municipal Corporation, Policy Plan—Greater Bon:bay 1981-2001.

<sup>3</sup>Based on a United Nations estimate.

<sup>4</sup>U.S. Government, Global 2000 Report.

<sup>5</sup>Kisan Mehta, Mumbai by 2000 AD—A Tyranopolis or a Planned City, 1985.

<sup>6</sup>*Ibid.*

Due to the rapid development of industries, trade and commerce in the city in the post independence period, the city registered a phenomenal rise in low income groups. The State Government introduced Rent Control Act in 1948 which pegged down the rents to 1940 level. As the years passed by, the cost of construction and repairs shot up steeply and the landlords found it very difficult to meet the expenditure required for maintenance of the buildings out of the meagre receipts of rent. The tenants also could not take up the responsibility. The buildings gradually became unsafe for human habitation. Today there are over 30,000 old and dilapidated buildings in the city of Bombay, of which over 1,000 buildings have gone beyond economic repairs. Rehabilitation of the inner city areas is a major problem the government has to tackle on priority basis. Since the demand of housing has reached an enormous proportion, prices of flats have gone up. They are beyond the reach of even the middle class citizens. With the result, a large number of families live in increasingly crowded conditions. In 1971, 75.1 per cent of the population occupied at best one room units, 14.8 per cent occupied two room units and the rest lived in larger dwellings. In other words, the average number of persons per room, in regular housing was 3.99, with one room units being occupied on average by 5.26 persons and two room units by 2.83 persons per room. Of the total, 1.14 million dwelling units in Greater Bombay in 1971, *chawls* accounted for 61 per cent and huts another 17 per cent. Flats comprised only 20 per cent of the dwellings. Between 1973-80, the number of certificates issued to the effect that the buildings were completed was only 9,822<sup>7</sup>.

Most of the people who migrate to Bombay are from villages located in different parts of the country. They are absorbed in private industries and unorganised sector on very low wages. They cannot afford to buy even one room tenement. They move into slums and shanty colonies. Some of them occupy the pavements at least in the initial stages before moving into the slums. Today a majority of the Bombay population lives in dilapidated *chawls*, slums and on the pavements. The number of families living in the dilapidated *chawls* and on the pavements is small as compared to the slums.

*D. Growth of Slums:* Slums and shanty towns have grown faster than Bombay's population. In 1960, the slum population was only 12 per cent of the total population of Bombay. The figure had grown to about 22 per cent by 1970. In 1976, BMC in its census found over 2.8 million slum dwellers living in over 0.6 million huts in 1,680 slum areas or pockets, thus constituting about 40 per cent (7 million) of population. During the period 1976-81, about 1.2 million people were added to

<sup>7</sup>TECS, Economic Appraisal of the Bombay Trans-Harbour Line Project, 1985.

Bombay's population, the housing units being 75,000 added by both private and public agencies.<sup>8</sup> Taking into consideration the significant number of vacant new houses, one can assume that the new housing units accommodated not more than 0.4 million people. In other words, about 0.8 million people had to take shelter either in the slums or on the pavements. Thus in 1981, an estimated 3.7 million (45%) people were expected to live in slums. Since 1981, in view of the sharp increase in housing prices in Bombay, this percentage might have increased. It is reasonable to estimate that in 1988 nearly 50 per cent of the Bombay's population occupies slums, dilapidated buildings and pavements.

*E. Industrial and Commerical Growth:* Bombay is the commercial and financial capital of the country. It produces in some form almost the entire range of products in the light and medium engineering industry. In the economic sphere, Bombay accounts for 54 per cent of the factory employment, 88 per cent of the Joint Stock Companies, and more than 62 per cent of the productive capital of the entire State of Maharashtra. The importance of the city also grew due to the development of Bombay High where a significant quantity of indigenous oil is off-loaded of the Bombay port. The Bombay area has a sizeable production of chemical fertilizers, a wide range of synthetic fibres, rubber, plastic and pharmaceuticals. The textile industry is one of the mainstays of the city's employment and accounts for a major share of the national textile output—it has roughly 31 per cent of India's looms, 29 per cent of loom production and 23 per cent of spindles. Bombay city is the country's largest commerical film production centre. Moreover, the importance of Bombay as a financial centre is indicative of the fact that during 1985-86, it alone mobilised bank deposits of Rs. 10,980 crore and provided Rs. 11,373 crore worth credit which was 12.8 per cent and 19.6 per cent respectively of the all India bank deposits and credits.<sup>9</sup> It is the leader in industrial, financial and commercial activities and has remained the harbinger of technical innovations.<sup>10</sup>

*F. Civic Amenities:* City growth has always led to increasing problems of providing civic amenities (*e.g.*, water, sewerage and drainage) to the population. Bombay gets its water supply mainly from five lakes and a

<sup>8</sup>BMRDA, Affordable Low Income Shelter Programme in BMR, BMRDA Document, 1982.

<sup>9</sup>India (Ministry of Urban Development), National Commission on Urbanisation, *Interim Report*, 1987.

<sup>10</sup>Kisan Mehta, *op. cit.*

river. The current yield from all sources is about 2,000 million litres per day. About three-fifths of the total yield is available for domestic consumption after allowance for industrial and commercial demand and transmission and distribution losses. Taking into account Bombay's current population of around 8.5 million, the per capita domestic availability of water comes to 141 litres of 31 gallons per day. When the new projects are completed, Greater Bombay will have about 2,900 million litres or 650 million gallons per day for its supplies. Assuming three-fifths of this as domestic supplies, even at the most optimistic estimate of population of nine million in 1990, supplies will be about 43 gallons per capita per day.

In general, water supply is available in Bombay for two to eight hours per day. The real problem arises when all sectors do not get adequate quantity of potable water. Slum areas receive far less water than what these average figures suggest. In 1968, it was estimated that for a slum population of over 0.6 million, hardly a few thousand taps were available. Recent surveys have shown that the number of taps in slums vary according to their age, i.e., from one tap per 56 families to one tap per 13 families in old and new slums, respectively. Today there is considerable improvement in water supply on account of slum improvement schemes launched by the State Government. However the position of water supply in Bombay appears to be much better as compared to the situation prevailing in Calcutta, Madras, Ahmedabad and Bangalore. Major problem confronting Bombay concerns with the increasing per capita cost in the days to come. Secondly, more serious problem is that a large number of households living in newer slums and pavements do not get adequate quantity of potable water at a convenient place and time. Our studies have clearly indicated that in Bombay and in the region, the water requirements of the more affluent sections of the households have been more adequately satisfied in spite of improvement in general supply, poorer sections do not get adequate supply of water.<sup>11</sup>

The whole of Bombay's island city has access to sewers, but only a part of the suburbs has such access. The system is inadequate, being too small to cope with current flows. The treatment facilities and lift stations are in a poor state and the creeks and beaches around Bombay are being polluted. Some 300 million gallons of untreated sewage is being

<sup>11</sup>P.K. Muttagi, *Report on Tariff Studies for Water Supply and Sewerage Services of the Municipal Corporation of Greater Bombay*, Tata Institute of Social Sciences Bombay, 1977; *The Bombay Metropolitan Region: A Socio-Economic Study of the Project Area*, Tata Institute of Social Sciences Bombay, 1978; *Pavement Dwellers in Bombay City: A Study of the Lifestyle of the Typical man in the Street*, Unpublished Report, 1979.

discharged into the sea. Improvements in the situation are costly because of the remoteness of water sources and the heavy expenses of improvement in the sewerage system. The second Bombay Water Supply and Sewerage project envisages among other things, improvement and extension of sewage collection, treatment and disposal; the provision of 15,000 new latrines and 10,000 water taps in slum areas. Implementation of this project, the first stage of which should be over by late eighties, would help close the gaps in the sewerage system. The target is to cover all existing housing areas in the suburbs and extended suburbs by 2000 AD. The main problem, however, facing water and sewerage systems is one of the cost. The cost of development of the infrastructure for providing water supply, sewerage and sewage treatment and disposal services per capita is much higher as compared to smaller town standards.<sup>12</sup>

Bombay suffers from serious pollution problems like other large cities. However, unlike most of the western cities, the main sources of pollution are not solely auto-related, though the rise in car ownership and truck traffic has brought significant auto-pollution problems. Auto-related pollution in fact in many areas in Bombay is less than what it is in many large developed cities because of the lower automobile ownership levels. The main sources of air pollution include the textile mills, the petrochemical plants, the gas works and the burning of tyres. Emissions of sulphur dioxide, carbon compounds, chlorine and particulates from the textile mills have been the oldest sources of pollution. Not surprisingly, the incidence of lung disease and TB in areas containing a high percentage of textile workers have been high.<sup>13</sup> Another source of pollution is noise. Noise seldom reaches levels thought to damage human health or materials in contrast to air or water pollution. But at certain level, noise might become a nuisance. About 4,000 tonnes of garbage accumulate in the Greater Bombay area every day, out of which 3,000 tonners are collected by BMC and its agents. Bombay's garbage is mainly organic, and does not contain much plastic. Besides the BMC, there exists a large 'informal sector' for collection of waste paper, and glass and plastic bottles. Because of the high organic content in refuse, recently a 300 tonne plant has been set up to compose it. Even though such a composing would cost 25 per cent more than chemical fertilisers, its value as soil conditioner has been recognised. In short, a large quantity of soild particulate material is thrown out by polluting industries which the citizens are made to inhale every day. Air pollution

<sup>12</sup>V.D. Desai, "Implication of the Draft Bombay Plan for Major Services", Paper Presented at *TISS Workshop on Development of Greater Bombay*, 1983.

<sup>13</sup>Bombay Municipal Corporation, *Bombay Air Pollution: Health Study of BMC*, 1984.

has exceeded suffocating levels. Noise pollution is at the highest. In addition to the horrible living conditions created due to the inadequate sanitary facilities particularly latrines in slums and *chawls*, a large quantity of solid garbage is strewn over in the open everyday. Sewage system, is inadequate and large areas are without underground sewerage. Untreated sewage is dumped daily into the sea thus polluting the waterfront and spreading diseases. Vegetable markets are particularly filthy. In general, environmental cleanliness is extremely poor.

*G. Transport System in Bombay:* The public transport facilities though acknowledged to be amongst the most efficient in India, provide inadequate facilities to the citizens. Bombay roads can hardly cope with the increasing number of vehicles which by contrast range from handcarts to American Limousines and German Mercedez. Footpaths, roads and public areas are cluttered with slum dwellers, hawkers, shops and garbage. If the present transport situation in Bombay is alarming, the future outlook is even more alarming. Daily mass transit trips are expected to rise from 6,500 million (1979) to 13,269 millions in 2001. Car passenger trips will rise from 5,18,000 to 10,52,000; taxi trips from 5,40,000 to 7,50,000; goods vehicle trips from 61,000 to 84,000 and passenger trips by other modes from 1,40,000 to 2,94,000. Like most large cities, Bombay faces serious problems on traffic congestion. Nevertheless, cars amount for some 40 per cent of vehicles in road traffic in Bombay's CBD (though they carry only 15 per cent of road passengers). Moreover, car ownership is rising by some eight per cent a year, and this combined with the small amount of land assigned to streets, has created severe road congestion problems in the island city. In Bombay, however, public transport (bus, rail and taxi) account for 90 per cent of all person trips, and 80 per cent of trips are by rail and bus. In terms of passengers per day, the bus and rail mode account for approximately the same number. Thus a higher percentage of traffic in Bombay is by train. Due to the city's peculiar geography, nearly half of Bombay's train traffic enters the CBD. The percentage would be considerably higher than this for the island city. Some 70 per cent of road traffic enters or leaves the island city. For CBD alone, this percentage could be 45-50. Seventyfive per cent of the traffic is located in the suburbs. Because of the peculiar geographical position, Bombay's traffic problems are very acute.

It needs to be noted that all major activities are located in the island city so much so that over 70 per cent of the jobs that Bombay provides are found there. The circle with a radius of two km around the Flora Fountain—a CBD holding about 40 per cent of Bombay's jobs. It is these jobs which attract people from all over India. Since accommoda-

tion is not available at the place of work, they are compelled to live in far off suburbs, extended suburbs and neighbouring towns to travel long distances. Those who cannot afford a regular house start living in slums, on common passages of the *chawls* and buildings and if nothing is available, they seek shelter on the pavements.

#### MANAGING THE ENVIRONMENT

Environment in Bombay, as in other cities in India, has been deteriorating on account of rapid growth of population, slums, production and consumption. Discharges into the environment are caused by the pollution of air, water and soil. Traffic congestion invariably leads to noise pollution. Although poverty itself pollutes the environment, the environmental stress has often been seen as a result of the growing demand on scarce resources and the pollution generated by the rising living standards of the relatively affluent.<sup>14</sup> The problem of cleanliness is not confined to the poor, but is also prevalent among the non-poor. A survey conducted some years ago showed that about 50 per cent of people living in affluent areas throw garbage out of their windows. Both the government and the civic authorities show no consideration for aesthetic values, even if these could be achieved at little extra cost.<sup>15</sup> Quality of environment cannot be maintained in the absence of proper education. Solutions to environmental problems therefore must include social solutions. The entire community, the rich as well as the poor needs to be educated. Public education is necessary through the press, television, and other mass media against the blatant misuse of public conveniences. The observations made by Sivaramakrishnan in the context of Calcutta that public participation and the active cooperation of politicians and political parties is essential and the difficulty is in obtaining popular support without being submitted to populist pressures also hold good in the case of Bombay.<sup>16</sup> The point to note here is that environmental cleanliness is one connected with maturity and culture of the community. It is not just a case of imposing orders from above, but requires the co-operation of the people. A more extensive and imaginative organisational framework needs to be devised within which the many existing official and non-official organisations can be brought together and a combined plan of action launched.

While the pressing needs of people for food, living space and employ-

<sup>14</sup>WCED, *Our Common Future*, Oxford University Press, Delhi, 1987, p. 28.

<sup>15</sup>Mrs. Ali Yavar Jung, Quoted in Seminar Proceedings Ecology, Environment and Man, LSP, Bombay, 1974, p. 14.

<sup>16</sup>K.C. Sivaramakrishnan, "The Calcutta Scene", D.M. Kalapesi (ed.), *Man and Environment*, Bombay, 1973, p. 55.

ment opportunities make it impossible for the government to heed all the pleas of environmentalists, it is possible by wise planning to minimise these conflicts by ensuring that ecological considerations are taken into account in our development plans.

The Municipal Corporation of Greater Bombay is charged with the responsibility of maintaining acceptable minimum standards of healthy atmosphere. In addition to the corporation's regulations for controlling pollution, the responsibility further extends to the government to supervise and if necessary to discharge their functions towards realising clean air and water and atmosphere free from noise and stench. It may be pertinent to state that not much attention has been bestowed on plans to eradicate pollution in an effective way.

The enforcement of programmes are proverbially slow in local bodies<sup>17</sup>. The organisations in Bombay concerned with environmental cleanliness are no exception. But the urgency to tackle the problem of pollution in Bombay is greater than in other cities due not only to the higher growth rate of population and industries, but also due to the fact that several tanneries, refineries, nuclear research units, textile and chemical industries which pollute air have been located here. Soot and stench from mills and factories should not be allowed to escape in the atmosphere. Unless the industry has the means to reprocess gaseous wastes and license to run the mill must be withheld.<sup>18</sup> Such drastic action or even threat of such actions may work.

There should be an adequate number of dustbins and refuse depots within easy reach of people and shopkeepers. The time for cleaning should be fixed and known to the residents so that they dump their rubbish in advance. They need to be educated in trivial matters like throwing the rubbish at proper places.

The measures needed to protect and improve the environment must consist of tackling overall problems of development such as the creation of healthy human settlements, provision of clean water supply and sanitation facilities, regeneration of forests, conservation of nature and the judicious use of natural resources. In addition, the concerned organisations should take precautions by means of pollution controls and location policies to reduce the damaging effects of industrial and domestic pollution.

Charity, kindness, threat of punishment or removing the poor households living on the pavements or in slums by using physical force and coercive techniques will not work. The people who need to be removed

<sup>17</sup>L.M. Mathur, "Environmental Management of Urban Areas" in R.K. Sapra (ed.), *Environmental Management in India*, Ashish Publishing House, New Delhi, 1987, p. 53.

<sup>18</sup>Ibid.

should be given jobs, shelter and basic infrastructure. They must not feel isolated from the social services and amenities normally associated with urban areas. They also need counselling. The policy of providing only one without the other becomes counterproductive. More important task therefore is to motivate the people to move out to the new place. They move to new places if they perceive it as a better place not only for them, but also for their children. The role of the government and policy makers lies in stimulating the people to move by providing opportunities elsewhere. Any attempt to develop Bombay beyond a limit is likely to defeat the purpose of decongestion. Bombay pulls the people towards it. A large number of centres near Bombay need to be developed. The employers and the employees need to join hands in achieving better quality of life elsewhere in the region. □

## *Politics of Supersession: A Case Study of Cuttak Municipality*

L.N.P. MOHANTY

SUPERSESSION OF municipal bodies in India has been such a familiar event that it has virtually been accepted as a natural phenomenon like the onset of summer or the outbreak of monsoon.<sup>1</sup> The constituent states of the Indian Union have mercilessly felled down the municipal bodies time and again in wanton disregard of 'local democracies'. The practice over the past decades shows that what was intended to be an extraordinary legal measure to be used in the minimum in very unavoidable circumstances, has tended to become a normal phenomenon not only frequently but often whimsically. Very often one hears the pungent allegation that state governments use the weapon of supersession not so much on objective grounds as on the score of partisan considerations with a view to maintaining their dominance over the affairs of the urban local bodies. As a result the State governments who had been given the statutory power of supervision, direction and control over the proper functioning of democratic government at the urban local level, had tended to interpret these powers in terms of applying the extreme remedy of supersession, irrespective of the reactions of the people living in urban areas and the repercussion upon their elected representatives in the municipal councils.

The phenomenon of 'supersession' has remained the least researched subject in the apparently burgeoning literature on urban local self-government in India. Not many writings are available on the laws procedures and the bureaucratic processes relating to supersession. Reflections on judicial pronouncements on supersession cases are scanty. In the global context there have been descriptive studies on State control over municipal bodies and on intergovernmental relationship. Systematic studies of supersession in terms of political forces and factors are rare, if not totally absent.

<sup>1</sup>Mohit Bhattacharya, "Politics of Supersession", Unpublished seminar paper on *Status of Municipal Government in India Today*, held at the Indian Institute of Public Administration, New Delhi, July 29-30, 1983.

In particular, when we turn our eyes to Orissa, this problem has loomed large in the field of State and Urban local government relationships. The frequency with which the power has been exercised in Orissa has so much hampered the working of democracy at the level of urban local bodies that an intensive study is needed to find out the reasons relating the politics, supersession and also to suggest ways as to how its use can be minimised in the interest of uninterrupted functioning of democracy. The present study is an attempt to make a microscopic study of the politics of supersession in Cuttack municipality, the biggest civic body of the state and to indicate as to what extent the paternalistic political motives of the State government were active in imposing supersession on the urban local bodies.

Studies made by D.B. Rosenthal, Hoshiar Singh, O.P. Srivastava, Rodney Jones, P.A. James, etc., have referred, briefly though, to the problem of supersession. It is their common finding that supersession of an elected municipal body is most often decided on party political considerations, such decisions are predominantly politicised and they reveal the punitive motive and vindictive attitude of the political Executive *vis-a-vis* the dissolved or superseded municipal body.<sup>2</sup>

### *Significance of the Study*

Prolonged supersession amounts to gross denial of autonomy to the urban local bodies. What suffers in the process is the status of municipal government in the eyes of the urban citizen, as well as citizens right of making local choices and determining local priorities through their elected representatives. If this trend goes on increasing, it would bring about a blatant denial of local government autonomy which might ultimately bring local government to a State of paralysis. Hence, if the politics of supersession is analysed on the basis of factual and objective study, it may be possible to find out the way for averting it, or at least restricting its use to the minimum. The steady development of such a mode of interaction between the State government and local bodies, it may

<sup>2</sup>See D.B. Rosenthal, *The Limited Elite: Politics and Government in Two Indian Cities*, University of Chicago Press, Chicago, 1970, p. 19; Hoshiar Singh, *State Supervision over Municipal Administration: A Case Study of Rajasthan*, Associate Publishing House, New Delhi, 1979; R.W. Jones, *Urban Politics in India*, Vikas Publishing, New Delhi, 1975; O.P. Srivastava, *Municipal Government and Administration in India*, Chugh Publication, Allahabad, 1980, p. 70; P.A. James, "State Control through Supersession and Dissolution," in S.K. Sharma and V.N. Chawla (eds), *Municipal Administration in India: Some Reflections*, International Journal, 1975: Also see K.M. Manohar, *Organisation and Working of a Municipality in Andhra Pradesh: A case study*, unpublished Ph. D. thesis of Andhra University, 1978, P. 241; T. Appa Rao, *Municipal Corporations in South India* unpublished Ph. D. thesis of Andhra University, 1972, pp. 182-83.

be urged, might begin to operate as a stimulus for the healthy functioning of urban bodies.

*Scope of Study:* The scope of this work is particularly limited to the study of politics of supersession in one of the oldest and biggest urban local bodies in Orissa, the Cuttack Municipality where democracy had been put to experiment since late 19th century. There was a natural expectation that this municipality would enjoy greater degree of autonomy after the enforcement of the Orissa Municipal Act, 1950 in April, 1951. But this expectation has been belied by the experience of the past three decades. The extent to which their sphere of autonomy either expanded or contracted would set the tone and temper for other urban local bodies.

#### *Hypotheses*

The problem of supersession in Cuttack Municipality has been studied on the basis of following hypotheses:

- (i) Frequent supersession stifles democratic functioning of the urban local bodies and destroy their autonomy;
- (ii) Political factors and considerations weigh more than objective factors and circumstances in imposing supersession; and
- (iii) Restricted use of supersession as only one among the so many forms of State government control is at times indispensable and desirable.

#### *Methodology*

It is a study which has combined both analytical and empirical method. The legal documents such as the Orissa Municipal Act, government documents, reports of Committees and Commission, relevant files of U.D. Department have been used. With no comprehensive data available on supersession, we have to swim through the empirical survey method by interviewing former municipal Chairman and Councillors, municipal employees, State government officials at the State and municipal levels, urban citizens and local elites. A structured questionnaire was prepared and served to different categories of respondents.

#### *Supersession as a Form of State Control*

Supersession and dissolution of the Municipal Councils is a type of extraordinary means of administrative control over the local bodies. It is a negative and punitive type of control and their frequent exercise has adverse effect undermining the confidence of the people in the system of local government.

The term supersession<sup>3</sup> and dissolution<sup>4</sup> are more often misunderstood than understood. In the case of dissolution, the Council's life is terminated and fresh election is ordered, it is an appeal to the electorate against an allegedly incompetant municipal body. Here a chance is given to the electorate to elect a new Council immediately taking and enough time for making arrangement for the conduct of election. But in the case of supersession, the elected authorities are removed and a nominee of the State government is appointed as the administrator to discharge the functions of the Municipal Council. Supersession thus amounts to a denial of the people's right to be governed by their elected representatives. Thus, dissolution is a less severe and shaming device than supersession. Dissolution stems from lack of confidence in the competence of the Councillors whereas supersession from that of electorate.

The power of supersession is exercised in terms of the provisions of section 402 of the Orissa Municipal Act 1950. Under the provision of the act the State Government has to receive a report from the Director of Municipal Administration or District Magistrate to the effect that the Municipal Council is either acting in a manner prejudicial to the interests of the inhabitants of the town, making persistent default in the performance of duties, misusing municipal funds and excess abuse of power. Based upon these the government suspends<sup>5</sup> the council and calls upon Municipal Council to show cause why the council should not be superseded. On receiving explanation from the Municipal Council on the various framed charges, the State government can take a decision about supersession. The Government's decision is largely influenced by factors such as: Executive Officers Report; Director or District Magistrate's recommendation; Public interest; Council's explanation; administrative efficiency or inefficiency and resulting legal implications.<sup>6</sup>

It appears that the provision enabling the government to supersede a municipality under Orissa Municipal Act 1950 has given the State

<sup>3</sup>Oxford Dictionary assigns the word *Supersede* as the following: (*i*) to make no effect, to render void, useless, to annul or override, (*ii*) to be set aside as useless or obsolete to be replaced by something regarded as superior.

<sup>4</sup>Websters New English Dictionary assigns the meaning of the word *dissolve* as the following: (*i*) the dismissal of an assembly, (*ii*) to end as breaking up, terminate.

<sup>5</sup>Till the year 1968 the Municipal Councils in Orissa were directly superseded after the charge against the Council in the show cause notice were proved. But in 1968 the amendment incorporated into Orissa Municipal Act, 1950 provided that before asking the Municipal Council to show cause, the Government is to suspend the Council till the finalisation of proceedings.

<sup>6</sup>Formation of opinion by the Government is not directory but is mandatory and as a quasi-judicial authority the State has to decide the matter objectively. For principles underlying various decisions see R.D. Agarwal, *Laws of Municipal Corporation*, Allahabad, 1969, pp. 62-63.

government unlimited discretion to interfere with the affairs of a local body.

In the first instance, the words "in the opinion of the Government" makes it abundantly clear that it was the opinion of the government that counts, opinion can never be objective but only subjective. The statute does not mention anywhere as to how this opinion was to be formulated or arrived at.

Although the judiciary might protect the municipal council against the alleged arbitrary action of the government the circumstances under which the court would interfere is very limited. The judiciary is not competent to investigate the reasonableness of the opinion reached by the Government and generally stick to the question of law and procedure.

Secondly, the legislative provision does not explain the meaning of the term the incompetence in performance of duties imposed upon law nor it give any illustrations to guide executive action. 'Persistent default' is open to divergent interpretation. It is rather an ambiguous phrase. Similarly "excess abuse of power" is again a very wide ranging provision.<sup>7</sup>

#### *Case Study of Cuttack Municipality*

Cuttack, the biggest town of Orissa, is located at the bifurcation of the rivers Mahanadi and its main branch Kathojodi. These two rivers form an extensive delta of which the Bay of Bengal serves as the base and Cuttack as the apex. The population of the town including the urban agglomeration was 3,26,468 according to 1981 Census, out of which the municipal area has a population of 2,94,334. The increase of urban population demand the extension of the existing municipal boundaries, thereby bringing new settlements within the ambit of urban local body's jurisdiction. Its area is 59.57 sq km. The economic base leading to urbanisation is due to expansion of trade and commerce, Educational and Cultural activities and functioning of various government offices. The town is divided into 28 wards. Till now the said town has not been declared as a Municipal Corporation. However, the State government has taken a decision to convert the municipality into a municipal corporation and a legislation in that respect is to be introduced in the floor of the State legislatures after submission of the select committees' report constituted for the purpose.

The municipality being one of the oldest in the State was constituted under the Bengal Municipal Act on July 4, 1876, under the Chairmanship of the District Magistrate. Subsequently, the Bengal Municipal Act was replaced by Bihar-Orissa Municipal Act, 1922. Under the said act,

<sup>7</sup>P.A. James, "State Control through Supersession and dissolution", in *Municipal Administration in India: Some Reflections, op. cit.*

the power to dissolve and supersede an urban local body was vested in the hands of the provincial government which was empowered to dissolve or supersede it for a period not exceeding two years on the ground of incompetency or persistent default in the performance of duties or guilty of exceeding or abusing power.<sup>8</sup>

It is surprising to note that since the formation of Orissa as a separate province in 1936 till today, that is out of a total period of about 52 years, Elected Councils in Cuttack Municipality have functioned only for a short spell of 14 years and seven months and for the remaining 37 years and five months the municipality has remained under supersession by State government. Amongst all the period of supersession the maximum has been for a period of more than eight years (from 22.4.1980 till today) and the minimum was for two years and 4 months (from 10.9.76 to 30.1.79). The maximum period of functioning of an elected council was four years (1937-41) and minimum one year two months and 20 days (from 31.1.79 to 21.4.80).

Thus, before the comprehensive Orissa Municipal Act of 1950 came into force, the Cuttack Municipality has been superseded thrice under the provisions of Bihar-Orissa Municipal Act of 1922. While mismanagement of the affairs of the municipality was the main ground of the first two supersessions, the last one was managed by the Chairman of the municipality as he was unable to function in the teeth of severe opposition from the majority of the Councillors who belonged to the Congress party to which even the Chairman himself belonged. Against this background when the Orissa Municipal Act 1950 was enacted to ensure smoother and more efficient functioning of democracy at the urban local level many people hoped that the Cuttack Municipality would be functioning more efficiently and democratically under the republican constitution. But this hope was belied by the facts of the post independence period during which the State Government resorted more frequently to supersession as an instrument of control on urban local bodies. From that year till today Cuttack Municipality has been superseded four times.

#### *Politics as Intervening Variable*

In the context of Parliamentary democratic system of government at the national levels in independent India and the increasing role of political parties in the operation of that system it became evident that gradually party politics has assumed a growing importance at the level of urban local government. But the role of the political parties in the inter-governmental relations within a state is a question that cannot be adequately answered by looking merely at the provisions of the law, but by looking beyond the legal framework to the politics that go on both

<sup>8</sup>Section 335 of *Bihar and Orissa Municipal Act, 1922*.

at the urban and State levels and the way each interact upon the other.

Municipal bodies anywhere in India at any point of time could be proved guilty of any of these charges; diversion of funds, appointments given without state sanction, deteriorating sanitary conditions, inability to take effective steps to raise resources, etc. This enables the government to intervene in the affairs of the Municipality by extending the statutory power of supersession.

### *First Supersession*

The first elected municipal Council Constituted in April, 1951 after the enforcement of Orissa Municipal Act, 1950 was superseded on October 21, 1953.<sup>9</sup> Behind the procedural steps the real forces which made matters move were political because the strength of the Town Committee party which received the support from the Congress party (ruling party in the State) was reduced to minority after the Chairman changed his allegiance by joining the opposition camp. Since this upset the balance in the party position in the Council it became inconvenient to the local congress MLA whose influence on the Council dwindled and who therefore prevailed upon the government (Congress ministry) to supersede the Council. The Municipality Chairman was initially superseded for a period of two years up to September 30, 1955 was extended time and again till December 28, 1961.

### *Second Supersession*

The first supersession came to an end on December 28, 1961. On December 29, a new elected Municipality Chairman began to function which was dissolved after two years. In January, 1964 a new Council was constituted which consisted of 18 Councillors supported by the Congress Party. Before the expiry of the normal term of the Cuttack Municipal Council, the Fourth General Election to the State Legislative Assembly was held in March, 1967 in which Congress Party lost power to the Swatantra-Jana Congress coalition ministry formed under the leadership of R.N. Singhdeo.<sup>10</sup> Thus the political complexion of government at the State level was different from the Congress majority which wielded power over the Cuttack Municipality. This discrepancy proved inconvenient to the State government and important political leaders and forces became active to bring down the Congress dominated Cuttack Municipal Council from the pedestal of power. In this move H.K. Mahatab, the former Chief Minister of Orissa and the founder of Jana-Congress Party played a decisive role. Since the local congress Member of the Legislative Assembly supported the con-

<sup>9</sup>Government Order No. 9553, Local Self-Government Department, dated October 22, 1953.

<sup>10</sup>Notification No. 12939, Urban Development Department, Dated August 18, 1967,

tinuance of the then Congress dominated Municipal Council and due to the difference of opinion between Mahatab and the local MLA, the solution was to be found in the political decision of supersession on August 18, 1967.<sup>11</sup> But as in the case of first supersession, the procedural formality of the Municipal Act was observed step by step in order to create an impression that the government proceeded very legally in the matter.

Comparing with the first supersession, we find that the political motivations and the difference in the political complexion of government of the state and that of the local body was responsible for the second supersession.

The State government extended the period of supersession on some plea or the other and each plea was taken by the government as a sufficient ground for extending the election date. Although delimitation of municipal wards on the population figures was a justified ground for extension of the term of supersession and this was completed by December 31, 1971, yet no election was held as scheduled.

### *Third Supersession*

In the civic election of Cuttack of June, 1973 the Congress and the Pragati Party<sup>12</sup> became the major rivals; for both these parties, the civic election at Cuttack, the political nerve centre of the state was a matter of prestige and importance.<sup>13</sup> The election strategy paid remarkable dividends to the Pragati party in terms of electoral gains. The result proved the dominating hold of the Pragati party over the civic voters of Cuttack town. With an overwhelming majority it was natural that Pragati party would elect one of its members as the Chairman. But this expectation was soon belied by the emergence of factionalism within the Pragati party and the choice was left to H.K Mahtab. A socialist Councillor became the consensus candidate of both factions of Pragati Party. By the time the Municipal Council was constituted Orissa was under the Presidents rule.

Although the Chairman provided dynamic leadership to the functioning of Municipal Council, he was soon handicapped by the frequent interference by the Pragati Party Councillors and finally resigned in the month of January, 1974.<sup>14</sup> Soon thereafter the Pragati Party Councillors elected R.P. Mohapatra as the Chairman in February, 1974. But the formation of the Congress government under the leadership of Smt. Nandini Satpathy after the mid-term election of February, 74 brought

<sup>11</sup>Notification No. 12939, Urban Development Department, dated August 18, 1969.

<sup>12</sup>The Pragati Party was formed by the merger of Swatantra—Utkal Congress and Jharkhand Parties in 1973.

<sup>13</sup>See Staff Reporting in Hindustan Standard, Dated June 24, 1973.

<sup>14</sup>These facts were revealed during the scholar's personal interview with Sri B. Pandit, the former Chairman,

about a dent in the Pragati Party and encouraged partionalism. An important faction comprising 11 Councillors including the Chairman defected from the Pragati Party and joined the Congress party raising its strength to 16 in the Council of 30 members. But very soon the strength of the Councillors supporting the Chairman was reduced to 14 thereby placing the Chairman in minority. The supersession was done at a moment when the Chairman's group was reduced to minority in the Council and the opposition group did not command a stable majority. The aggravation of groupism in the Council affected the proper functioning of the Municipal Council.

Where political motivations and differences in political complexions in the government at the State and local government level were responsible for the first and second supersessions, objective considerations outweighed the political motivations in the case of the third. The Council was superseded with effect from September 10, 1976.<sup>15</sup> Supersession as a tool was used to set right the erring local body.

#### *Fourth Supersession*

The third supersession of the Cuttack Municipality continued from September 10, 1976 to January 30, 1979. During this period the political scenario of the state changed. In the sixth Lok Sabha election of 1977 the Janata Party won the majority of seats in the Lok Sabha and formed the government at the centre. In the States where the Janata Party had secured the majority of the Parliamentary seats, Presidents rule was proclaimed which was soon followed by mid-term elections. In this process mid-term elections were held in Orissa in which Janata Party came to power. The Janata government amended the Orissa Municipal Act and provided for direct election of Chairman while retaining the old provision of indirect election of Vice Chairman.<sup>16</sup>

Although the election to the different urban local bodies was due, it was being postponed on one plea or the other. Finally the elections to 53 urban local bodies (whose term had expired and which were superseded) including the Municipality Council of Cuttack was held on January 31, 1979. In the election T. Kanungo of the then Congress(U) party was directly elected as the Chairman and the majority of the Councillors belonging to Janata Party elected Mustafiz Ahmed of Janata Party as the Vice Chairman. In January 1980, in the Lok Sabha election from the Cuttack Parliamentary Constituency, Kanungo contested and was defeated. He made it a point of expression of no con-

<sup>15</sup>Notification No. 25831, Urban Development Department, Dated 9th September, 1976.

<sup>16</sup>See amendment of Section 47 of Orissa Municipal Act, amended by Orissa Municipal (Amendment) Act, 1978.

fidence by the voters and tendered his resignation from the office of the Chairman.<sup>17</sup> There upon the Vice Chairman became the officiating Chairman of Cuttack Municipality.

Following the overwhelming victory of the Congress (I) in the 1980 Parliamentary election the Janata dominated State assembly were dissolved and President's rule was proclaimed. In the fresh elections which were held in May 1980, the Congress (I) returned with overwhelming majority and formed government in the State. This change in the political complexion of the government in the State level cast its shadow upon the Janata dominated Municipal Council of Cuttack and encouraged political manoeuvring to bring about a political change at the Municipal level.

Even before the Congress ministry assumed office, the period when the State was under President's rule, a few Congress members of the State level became active in starting manoeuvres to come to power in elected bodies of the State as well as municipal level. This is corroborated by the demands of the local Congress M.P. (Rajyasabha) in a Public meeting demanding supersession of Cuttack Municipal Council.

Pending decision for supersession the State government suspended the Municipality Council on April 21, 1980 and issued show cause notice to the Vice Chairman and Councillors.<sup>18</sup> The show cause notice was challenged in the High Court.<sup>19</sup> Since the High Court did not issue stay order on the government's proposed action, the State government went further and superseded the Municipal Council with effect from May 17, 1980.<sup>20</sup>

Since the Orissa Municipal Act does not set any limit to the duration of supersession, the term of supersession made in May, 1980 had been extended time and again on some plea or the other. As a result, although election to elect a new Municipal Council should have been held, upto now no steps have been taken to get a new Municipal Council elected. The explanations given by the Government is that election could not be held so far because the decision of the Government to convert the municipality into a Corporation. Although this decision may sound high, it has not appeared as a convincing justification for postponing indefinitely election to Cuttack Municipal Council.<sup>21</sup>

<sup>17</sup>These facts were revealed during the author's personal interview with Sri Kanurgo in August 1987 and Ex-Councillors and town dwellers.

<sup>18</sup>Government Notification No. 13968, U.D. Department Dated April 21, 1980.

<sup>19</sup>O.J.C. No. 723 of 1980—K.C. Pradhan and Others *Vs.* State and others and O.J.C. No. 941, of 1980, M. Ahmed *Vs.* State and others of Cuttack Municipality.

<sup>20</sup>Notification No. 17083, Urban Development Department, May 17, 1980.

<sup>21</sup>The Municipal Corporation bill has been referred to a select Committee whose recommendation is still awaited.

### *Observations*

In the cases of first, second and fourth supersession while political motivation and difference in political complexions in State and municipal level were responsible for the above three supersessions, objective consideration outweighed political considerations in the case of third one because it was used to set right the erring local body that became defunct.

Since out of four cases, in cases of three the instrument of supersession was used with partisan consideration, it can be said that the party in power at the state level went ahead in taking decision to supersede the Municipal Council of Cuttack with a motive of getting rid of opposition at the municipal level by exercising its statutory powers.

Hence supersession has subverted the democratic functioning of the local body because the elected Councils were allowed to function for a brief spell of time. The first elected Council functioned for a period of two years five months and the subsequent elected Councils continued to function for a spell of two years, two years 11 months, three years one month and one year two months respectively.

Comparing the total period of supersession with the total period of elected Council functioning, it has been found out that since the enforcement of Orissa Municipal Act, 1950 in May 1951 till today out of the total period of 37 years three months, the Cuttack Municipality has remained under supersession for a total period of 24 years 11 months and the elected Councils functioned for a period of 11 years three months. The remaining period of one year and one month, the Council was taken over by the government after expiry of the term of the Council. This has made the local self-government in Cuttack municipality a misnomer and the municipality has been subject to the string of bureaucratic control at the state and municipal level for a much longer period than its functioning under the elected Councils.

### *Supersession: Respondents' Perspective*

In the proceeding paragraphs the aim is to show how the permanent dwellers in Cuttack reacted to the frequency of supersession of the popularly elected Municipal Council. This we consider to be important because it is the town dwellers who will have to take ultimately the burden of the effects of supersession, beneficial or harmful, wanted or unwanted.

Table 1 shows that 41.5 per cent of respondents considered supersession to be desirable and 52.8 per cent held that supersession is not desirable; about 6.6 per cent had no opinion to express.

Amongst the different categories of respondents, the table shows that about 75 per cent of elected representatives and political leaders do not favour supersession whereas 60 per cent of the higher officials of the

TABLE I DISTRIBUTION OF RESPONDENTS ACCORDING TO THEIR VIEW ON DESIRABILITY OF SUPERSESSION

| <i>Nature of response</i>        | <i>Elected representatives of the Municipality and other political leaders</i> | <i>High officials of the State and Municipal level</i> | <i>Subordinate ministerial staff</i> | <i>Local Elites</i>   | <i>Total</i>         |
|----------------------------------|--|--|--------------------------------------|-----------------------|----------------------|
|                                  |  |  |                                      |                       | (1)                  |
| 1. Supersession is desirable     | 5<br>(25%)   | 6<br>(60%)   | 14<br>(56%)                          | 4<br>(27.7%)          | 29<br>(41.5%)        |
| 2. Supersession is not desirable | 15<br>(7.5%)   | 3<br>(30%)   | 9<br>(36%)                           | 10<br>(66.6%)         | 37<br>(52.8%)        |
| 3. No response                   | —  | 1<br>(10%)   | 2<br>(8%)                            | 1<br>(6.6%)           | 4<br>(5.7%)          |
| <b>TOTAL</b>                     | <b>20<br/>(100%)</b>   | <b>10<br/>(100%)</b>                                   | <b>25<br/>(100%)</b>                 | <b>15<br/>(99.9%)</b> | <b>70<br/>(100%)</b> |

State and municipal levels were in favours of it. However, 56 per cent of the subordinate ministerial staff favour its continuance as an integral part of the municipal system whereas 66.6 per cent of the local elites is not in favour of continuing the provision of supersession.

From this, it is observed that the majority of the political leaders and the local inhabitants were not favourably disposed towards retention of the provisions relating to supersession. On the other hand, majority of the bureaucrats and the ministerial staff serving the urban local bodies wanted the system to continue.

Out of the total 70 respondents, 37 respondents, who were against the instrumentality of supersession, put forth a number of reasons in support of their views. The reasons adduced by them against the continuance of supersession were mainly that it is undemocratic since it suppresses the rights of the elected representatives to govern the local body; it is an extreme step because Government had not exercised any other form of control in time; it is politically motivated; it concentrates all powers in the hands of bureaucrats who rule over the local bodies during supersession; the duration of supersession is unnecessarily prolonged, etc.

It would be pertinent here to refer to the views expressed by the municipal councillors whom we interviewed. It would suffice for our purpose to state the observation of one very senior and experienced

Councillor whose opinion was quite representative of the opinion of a considerable majority of the Councillors. He pointed out that the formal statutory power to supersede an elected Municipal Council should not be used on partisan consideration; the power could be invoked only under unavoidable circumstances which might call for temporary supersession on objective grounds only with a view to restoring democracy at the municipal level.<sup>22</sup>

Among the local elites we interviewed there were a few progressive businessman. In the opinion of one enlightened businessman, the State Government should use, while intending to punish the erring local bodies, less draconic corrective devices than abruptly taking resort to the ruthless remedy of supersession.<sup>23</sup>

Of the 29 respondents who were in favour of continuance of the power of supersession, all furnished reasons more than one in support of their view. The distribution of respondents favouring supersession are attributed mainly to the following factors: it corrects the erring local body and bring them to proper track; without the exercise of this power by the government, local bodies would become corrupt paving the way for anarchy; this sets right the politics infested and faction ridden municipal bodies; since it is a 'one man rule' bureaucrats administer the local bodies better than the elected representatives; the grievances of the municipal employees are better solved.

One former Chairman stated "it is my confirmed opinion that the State Government should have the power to supersede the local bodies, but it should be judiciously exercised in the event of excessive mal-administration".<sup>24</sup> A few Ex-Chairman observed that no elected Council should be kept under supersession for a period beyond 18 months and in no case the period of supersession is to be extended beyond the usual term of an elected Council.

As shown in Table 1, ten state level and municipal levels officers were also interviewed by us. Of these six considered supersessions are desirable under appropriate circumstances, three held supersession to be not desirable and one did not respond at all. The opinion of the majority of officers was well reflected on the remark made by certain Executive Officer that, "although the action of superseding the Council is against the canons of democratic principles, the action of the government is inevitable in view of the grave irregularities and maladministration in local bodies".

<sup>22</sup>Revealed to the author during the personal interview conducted with an Ex-Councillor (in the year 1979) of Cuttack Municipality on May 12, 1984.

<sup>23</sup>Revealed to the author during the course of personal interview with a businessman May 6, 1984.

<sup>24</sup>Revealed to the author during the personal interview held with a former Chairman in June, 1984.

We had also interviewed the subordinate ministerial staff of the municipality. Out of the total 25 numbers of staff interviewed, 14 considered supersession desirable, nine regarded it not desirable, only the remaining two did not respond at all. The majority view in support of supersession was well reflected by the statement of an old employee who preferred a municipality under supersession to a municipality run by an elected Council, because under the former an employee was allowed to work in accordance with the rules and procedures.<sup>5</sup>

Summing up, the responses of the four categories whom we interviewed it may be pointed out that those who favoured the continuance of the system of supersession, a considerable majority urged that the power of supersession should be judiciously and discretely used for a period ranging from six months to one and half years but never longer than that.

#### *Prove of the Hypotheses*

It seems pertinent here to examine the hypotheses. The first hypothesis was that supersession stifles the democratic functioning of the urban local body and destroy their autonomy. On this point of inquiry 37 out of 70 respondents were firmly of the opinion that supersession was an undemocratic measure which suppresses the rights of the elected representatives. In the light of these views by a considerable majority of the respondents our first hypothesis has been validated.

The case studies shows that in three out of four cases of supersession the State Government was prompted by political partisan consideration in imposing supersession. On the basis of these findings we may say that the second hypothesis namely political factors and consideration have weighed more than objective factors in influencing the State Government to impose supersession is beyond doubt.

Our third hypothesis related to the enquiry whether restricted use of supersession as only one among so many forms of State control was occasionally desirable under appropriate circumstances. Though the majority of respondents did not subscribe to this view yet our empirical study shows (third case) whenever a municipality has been superseded on objective considerations supersession has proved to be useful in the restoration of democracy through the election of new Municipal Council. This justifies the contention of the third hypothesis.

Taking into accounts our findings and the important consensus which emerges from the study that frequent use of supersession is to be avoided in the interest of stable functioning of democracy at the urban local body level, and if at any time use of the power of supersession

<sup>5</sup> Revealed during the interview with an employee of Cuttack Municipality on May 2, 1984.

would be indispensable, it should not be imposed on flimsy grounds and partisan considerations.

#### SUGGESTIONS

The statutory provision in regard to supersession be treated as a power held in reserve for toning up urban local administration in the event of gross abuse of powers and the consequence maladministration. It should be used in the extreme cases of delinquency and default.<sup>26</sup>

The unfettered and the frequent use of the power of supersession by the State Government is an extreme step. Remedy short of supersession, i.e., exercising other forms of control should be resorted to for bringing an erring municipal authority to the right track. The State Government should take prompt steps in eradicating the ills of the municipal bodies so that things are not allowed to drift from bad to worst.

In order to rationalise and streamline the process of supersession charged with political overtones it is necessary to make adequate provision in the Orissa Municipal Act as follows:

- (i) The notification must mention one year as the time limit up to which the municipality shall remain under supersession;
- (ii) The Municipal Council is to submit explanation within a period of one month and the provision of keeping Municipal Council under suspension be deleted;
- (iii) In order to eliminate the chance of subjectivity it is suggested that the State government should constitute a broad based Committee consisting of five members under the Chairmanship of the Chief Secretary; others members nominated by the Government include the Secretary of Housing and Urban Development Department, a retired District Judge, the senior most Chairman of urban local body having longest tenure in office, an academician in the rank of Professor having adequate knowledge on urban local body. The decision of the State government about supersession should be in accordance with the recommendation of the Committee;
- (iv) The extension of supersession beyond the period of one year should be in accordance with the recommendation of the Committee so that the total period should not exceed 18 months;
- (v) A whole time administrator should be appointed for the municipality which is superseded; and
- (vi) Any tax payer of the municipality aggrieved by the order of

<sup>26</sup>Cf. *Report of the Rural Urban Relationship Committee*, Vol. I, Ministry of Health and Family Planning, Government of India, p. 118; and *Report of the State Municipal Finance Commission*, Orissa, Vol. I, Urban Development Department, p. 126.

supersession may appeal before the High Court within a period of thirty days.

The Municipal Council as a whole should not be superseded due to the faults either of the individual Councillors or of the Chairman or of the Executive Officer. For instance, if the individual Councillors are found to have violated the rules or abused their powers they may be suspended or disqualified. Similarly a frequently erring Chairman can be ousted by the statutory power of the Government. If the Executive Officer are found dabbling in Municipal Council's politics, action must be taken by the government to punish them.

A full-fledged directorate separated from the Secretariat Department should be set up to look after affairs of urban local bodies. The Rural-Urban Relationship also stressed the need of a well organised Directorate at the State level to improve the system of direction, supervision and control of local bodies.<sup>27</sup> It should carry on systematic and regular inspection of local bodies; to guide and assist them in the management of their affairs with fact, sympathy and understanding.

In order to arouse in the citizen a sense of constant consciousness and vigil about their democratic rights, it is suggested that in each ward formation of voluntary citizen's Committee be encouraged. This might create a strong public demand for early restoration of democracy.

Union Parliament should be involved in the smooth functioning of democracy at the level of urban local bodies. An amendment may be brought in the constitution of India to insert item 24a after item 24 in the concurrent list which should read "Promotion of General Welfare of the people through the units of democratic government, urban or rural". This will not deprive the State government about their primary jurisdiction over urban local bodies, but the Union Parliament in generality may be involved in the general welfare and proper functioning of democratic government. The issue of supersession may be discussed on the floor of the Parliament which would have a considerable impact on State government so that their use of the power to supersede would tend to be more cautious, circumspect and less frequent and arbitrary. □

<sup>27</sup>See *Report of Rural-Urban Relationship Committee, op. cit.*, p. 120.

## *Profession Tax—A Plea for Local Bodies in Andhra Pradesh*

C. RAMACHANDRAIAH

THE PROFESSION TAX, generally called as the tax on professions, trades, callings and employments, has been one of the principal taxes levied by the local bodies since Lord Ripon's time (1882) when the urban local governments are known to have been fully established in India. In the subsequent years also, during the pre-independence period, the profession tax has been listed as one of the direct taxes levied by the local bodies. This tax is levied on the income of a person. It is in other words a crude income tax. The purpose of levying this tax seems to be to tax those assessees who would not otherwise pay a tax on their income. However the income tax payers are also liable to pay this tax.

This levy falls under Entry 60 of the State List in the Seventh Schedule of the Constitution. Article 276(2) of our Constitution protects this levy from being invalid on the ground that it is a tax on income and a ceiling limit has been placed on the amount of the tax. According to clause (2) of the Article 276, "The total amount payable in respect of any one person to the State or to any one municipality, district board, local board or other local authority in the State by way of taxes on professions, trades, callings and employments shall not exceed two hundred and fifty rupees per annum".<sup>1</sup>

With the phenomenal growth of urban population in India during sixties and seventies it is well known that the urban local bodies have miserably failed to provide minimum level of basic amenities to the growing urban population. It has also been observed that the resources of urban local bodies are far short of their financial needs in view of the ever increasing cost of services to be provided. The local authorities are taken to task for reasons beyond their control. It is in this background that any financial resources of local bodies acquires importance irrespective of their share in the total revenues.

<sup>1</sup>Quoted from the *Report of the Committee of Ministers on the Augmentation of Financial Resources of Urban Local Bodies, 1963* (also known as Zakaria Committee), p. 49.

## PROBLEMS IN THE COLLECTION OF PROFESSION TAX

After Independence several state Governments have taken over this levy from local bodies on some pretext or the other, the most important allegation being that the local bodies are not able to realise this tax to its full potential. The allegation is not totally incorrect keeping in view the problems involved in the collection of this tax by the local bodies. It involves contacting a large number of individuals and salaried employees personally by the bill collectors. Employees who are frequently transferred do not bother to pay at all. Meeting and collecting this tax from persons engaged in various professions and trades spread over a wide area is really a stupendous task for the bill collectors. While it is easy to assess the incomes of salary and wage earners, assessing the individuals of their incomes through professions is very difficult since they never disclose their returns fully. These impressions (of practical problems) have been gathered through discussions with local authorities at several places in Andhra Pradesh for a UGC sponsored research study. It has been revealed at several places that even the municipal staff themselves were not paying this tax regularly.

These kinds of problems seem to be common all over the country also. It has been observed that "the disadvantages of this tax are that it is a direct tax and is likely to be quite unpopular. This is perhaps the most important reason for its not being imposed by local the Government institutions...Besides, the levy of profession tax requires a tremendous amount of courage which our local institutions generally lack".<sup>2</sup> To get over these problems and enable better collections several state level taxation enquiry commissions have recommended taking over of collection of this tax by the state Governments and pay the amount to the local bodies. It was also recommended that the employers should be statutorily empowered to collect the tax from their employees or deduct the same at the source while salaries are being paid. Employers other than the Government employers, individuals and firms liable to pay this tax have to register themselves with the assessing authority for this purpose.

After these changes, the state level tax authorities have been successful in realising very high returns from this levy when compared to earlier. For example, in Gujarat<sup>3</sup> prior to the levy of this tax by the state Government in 1976, the tax was being levied in over 9,000 panchayats and 75 nagar panchayats and the receipts were estimated at Rs. 25 lakh. But after the state Government took over the receipts have increased from Rs. 3.64 crore in 1976-77 to Rs. 4.44 crore in 1977-78 and to

<sup>2</sup>Zakaria Committee report, *op. cit.*, p. 50.

<sup>3</sup>Gujarat Taxation Enquiry Commission Report, Government of Gujarat, 1980, p. 56 and 58.

Rs. 6.44 crore in 1978-79. The receipts from the profession tax accounted for about 1.73 per cent of the total state tax revenues in 1978-79. It has been a state Government tax in Assam since Independence.<sup>4</sup> The revenues from this source increased five-fold from Rs. 11 lakh in 1960-61 to Rs. 60 lakh in 1976-77. This tax is being levied by the state Governments in the states of Haryana, Karnataka, Madhya Pradesh, Meghalaya, Nagaland, Tripura and West Bengal.<sup>5</sup> As a proportion of the state's tax revenues in 1975-76, it was 0.90 per cent in Assam, 0.45 per cent in Haryana, 0.65 per cent in Madhya Pradesh, 2.35 per cent in Maharashtra and 0.14 per cent in Uttar Pradesh.<sup>6</sup>

#### DEMAND TO INCREASE THE CEILING LIMIT

There have been persistent demands by the local authorities to enhance the ceiling limit of this tax from the present Rs. 250 as the incomes have gone up during the last several years. The Taxation Enquiry Commission (1953) considered that an upper limit of Rs. 500 is adequate. The Zakaria Committee recommended that the maximum limit of profession tax be raised to Rs. 500 in the case of individuals and to Rs. 2,000 in the case of companies. The Central Council of Local Self-Government passed resolutions several times urging the Central Government to amend the Article 276 of the Constitution to raise the ceiling limit. However there are variations in the recommendations of various commissions regarding the amount to be fixed as the maximum limit. The High Power Committee in Andhra Pradesh<sup>7</sup> recommended that the ceiling be raised to Rs. 2,500 per annum. Kerala State Municipal Finance Commission (1976) recommended the ceiling to be raised on the lines of the Zakaria Committee report while those of Maharashtra (1974) and Tamil Nadu (1980) favoured the maximum limit to be raised to Rs. 1,000 per annum.

It has been reported that a joint committee of both the Houses of Parliament expressed the opinion that the ceiling of Rs. 250 per annum was the appropriate limit and need not be raised when the Constitution (Fifteenth Amendment) Bill, was introduced in the Lok Sabha on November 23, 1962 to amend the Article 276. The Government of India, therefore, dropped the proposal.<sup>8</sup>

It is also significant to note that the Gujarat Taxation Enquiry Committee opined that the present "structure and rate of tax are adequate

<sup>4</sup>A Survey of the Tax System in Assam, Vol. I, NIPFP, New Delhi, 1978, p. 283.

<sup>5</sup>Gujarat Taxation Enquiry Commission, *op. cit.*, p. 56.

<sup>6</sup>A Survey of the Tax System in Assam, *op. cit.*, p. 233.

<sup>7</sup>Report of the High Power Committee on Municipal Finance and Financial Administration, Government of Andhra Pradesh, 1971, p. 163.

<sup>8</sup>Report on the Kerala State Municipal Finance Enquiry Commission, Government of Kerala, 1976, p. 93.

and equitable". The Mysore Taxation and Resources Enquiry Committee, (1969) in its second report (September, 1971) expressed the view that the "profession tax is basically nothing but a crude income-tax and is an anachronism in the days of progressive income-tax" and recommend the abolition of this tax. This levy had already been abolished in the state of the Punjab<sup>9</sup> with effect from April 1, 1967.

Recently the parliament has amended the Article 276 of the Constitution enhancing the ceiling limit of the profession tax from the present Rs. 250 to Rs 2,500. To this effect the Constitution (60th amendment) Bill was passed by the Lok Sabha on November 30, 1988 and by the Rajya Sabha on December 6, 1988. The enhancement was felt only as an "enabling provision" for the state governments which have to decide about which sections of the society should pay the tax. The present enhancement seems to be high in view of the recommendations by several commissions as discussed above. It was only the High Power Committee in Andhra Pradesh which favoured such a high ceiling.

The present enhancement does not distinguish between the individuals and companies as was suggested by the Zakaria Committee report. A constitutional obligation should have been initiated to devolve the proceeds of this tax to the local bodies. Otherwise, the state governments, while trying to generate more resources through the enhanced ceiling, are most unlikely to come to the financial rescue of the local bodies.

Taking advantage of the enhanced ceiling, the government of Gujarat has proposed steep hikes in profession tax ranging from 100 per cent to 1,000 per cent during February, 1989. The increase was to net Rs. 60 crore to the government. The business and trade associations in Gujarat organised a successful bandh for three days in the state upon which the state finance minister announced concessions reducing the net earnings to Rs. 30 crore a year. However, in the whole process the question of devolving any proportion of the proceeds of this tax to the local bodies did not arise at all.

#### GOVERNMENT TAKE OVER OF PROFESSION TAX IN ANDHRA PRADESH

The problems involved in the collection of this levy as discussed earlier are applicable to the state of Andhra Pradesh also and the local bodies have never been able to realise this tax fully. It has been observed that "the employers do not send the particulars of their employees for assessing them and when they are assessed, the collection becomes difficult as Bill collectors are not allowed into the offices to collect and their correct residential addresses are not easily ascertained"<sup>10</sup> and recommend-

<sup>9</sup>Report of the *Taxation Enquiry and Resource Committee*, Government of Punjab, 1971, p. 8.

<sup>10</sup>Report of the High Power Committee, *op. cit.*, p. 71.

ed that the Municipalities Act be amended making it obligatory on the employer to levy and collect the tax at the source and remit the proceeds to the municipalities. The Act had not been so amended for more than one and half decade after this recommendation was made and it continued to be levied by the local bodies with all attendant problems.

The Government of Andhra Pradesh have enacted a separate Act called the Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 (Act No. 22 of 1987) on April 16, 1987 "for the benefit of the State" (Section 4.1). The powers of the local bodies to levy this tax have been removed by Section 32 of the above Act which says that "Notwithstanding anything in any enactment governing the constitution or establishment of a local authority, no local authority shall, on or after the commencement of this Act, levy any tax on professions, trades, callings and employments". The Hyderabad Municipal Corporation Act, 1955 (Act No. 2 of 1955), the Andhra Pradesh Gram Panchayats Act, 1964 (Act No. 6 of 1964) and the Andhra Pradesh Municipalities Act, 1965 (Act No. 6 of 1965) have been amended by deleting the sections, sub-sections and clauses relating to the profession tax.

The taking over of collection of profession tax by the state Government and entrusting the job of collection to the Commercial Tax Department (CTD) are justified in view of the problems involved in the collection of this levy by the local bodies as discussed earlier. Table 1 also reveals that the local bodies have not been able to realise this tax properly.

Except for the three local bodies of Kakinada, Jagtial and Rajampet, the actual amount of profession tax collected as well as its share in the total tax revenues have declined during the three year period mentioned in the table. The decline in the collections leads to piling up of huge amounts of arrears most of which may go unrealised in course of time. For example, Sangareddy municipality in Medak district, which is very nearer to the Hyderabad Municipal Corporation, has arrears amounting to about Rs 40 lakh mostly from the property tax and profession tax. The local body is in doldrums and if these arrears are not collected soon, they may have to close down the municipal office since it is becoming difficult to maintain day-to-day affairs also, as explained by the concerned authorities. Determined efforts on the part of the local authorities will definitely enhance the revenues from this source as is exemplified by Kakinada, Jagtial and Rajampet. The local bodies of Palakole and Vinukonda are also realising good collections.

Instead of devolving the profession tax to the respective local bodies after deducting the collection charges, as is being done in the case of

TABLE I PROFESSION TAX COLLECTIONS FOR LOCAL BODIES IN ANDHRA PRADESH

| Name of the Local Body | Population in 1981 | Growth Rate 1971-81 | Profession tax during the years |                     |                     |
|------------------------|--------------------|---------------------|---------------------------------|---------------------|---------------------|
|                        |                    |                     | 1984-85                         | 1985-86             | 1986-87             |
| 1. Vijayawada*         | 530,074            | 58.14               | 40,00,000<br>(6.09)             | 45,00,000<br>(5.41) | 24,00,000<br>(4.11) |
| 2. Kakinada            | 226,642            | 38.03               | 5,04,716<br>(4.39)              | 4,04,115<br>(2.62)  | 9,96,496<br>(6.39)  |
| 3. Nizamabad           | 183,135            | 58.37               | 1,30,899<br>(1.37)              | 1,36,655<br>(0.87)  | 80,078<br>(0.73)    |
| 4. Mahabubnagar        | 87,361             | 68.79               | 75,175<br>(2.13)                | 44,024<br>(0.73)    | 3,688<br>(0.06)     |
| 5. Jagtial             | 53,209             | 72.20               | 39,027<br>(1.58)                | 54,824<br>(2.17)    | 88,562<br>(2.59)    |
| 6. Palakole            | 46,146             | 27.49               | 183,729<br>(4.38)               | 208,844<br>(4.64)   | 183,896<br>(4.47)   |
| 7. Sangareddy          | 31,353             | 82.00               | 25,329<br>(2.18)                | 26,628<br>(2.17)    | 1,246<br>(0.11)     |
| 8. Vinukonda           | 24,263             | 49.23               | 68,961<br>(7.23)                | 81,204<br>(8.49)    | 77,940<br>(7.53)    |
| 9. Rajampet            | 19,930             | 49.34               | 29,801<br>(4.17)                | 51,836<br>(7.22)    | 91,098<br>(9.85)    |
| 10. Kaghaznagar        | 18,120             | 56.65               | 10,246<br>(1.41)                | 7,178<br>(0.97)     | 6,269<br>(0.90)     |

NOTE : Figures in the parentheses indicate percentage to total tax revenues. Vinukonda and Rajampet are Panchayats, Vijayawada is a Municipal Corporation and all the others are Municipalities. For Kakinada, the figures are for the years 1981-82, 1982-83 and 1983-84 in that order.

\*Revised Budget estimates.

SOURCE : Annual Accounts of the respective local bodies for the respective years.

Entertainment Tax at present,<sup>11</sup> the state Government intends to pay compensation as specified in Section 35 of the Act which says that "Out of the proceeds of the tax, penalties, interest or other amount recovered under this Act, there shall be paid annually to such local authorities as were levying a tax on professions, trades, callings and employments, immediately before the commencement of this Act, such amounts on the basis of the highest collections of such taxes, penalties and interest made by them in any year during the period of three years immediately pre-

<sup>11</sup>Ninety per cent of the proceeds of the Entertainment tax is paid to the local authority, while seven per cent is expended for the purpose of promoting the cine-natograph films and arts and the remaining three per cent is credited to the State Government (Section 13 of *A.P. Entertainment Tax Act, 1939*).

ceding such commencement as may be determined by the Government in this behalf".

This means that in the years to come the local bodies have to be content with the amount of the highest collections in one of the three years during 1984-85, 1985-86 and 1986-87. Some of the local bodies whose collections are declining may feel this compensation okay but those whose collections are improving every year are definitely deprived of a potential source of income. The Act has no provision of increasing the compensation at any rate for the coming years. The potential of this tax grows as the process of urbanization increases and the population moves from primary to secondary and tertiary sectors. The state of Andhra Pradesh is experiencing a rapid urban growth and during the seventies its urban growth rate was 48.26 per cent when compared to 46.02 per cent at the all-India level. This way of compensating for the loss is highly unjustified keeping in view the financial problems of the local bodies. The inability of the local bodies in realising this tax should not invite the wrath of the policy makers. The Task Forces on Housing and Urban Development set up by the Planning Commission (1983) had also recommended that 100 per cent of the profession tax should be devolved to the local bodies where the tax is being levied by the State Governments. In this case the state Governments are not devolving any of their own revenues but on the other hand they are playing only a supportive role in realising what is essentially a local tax.

Almost all the local bodies mentioned in the table, except Jagtial, are finding it difficult to pay the monthly salaries of their employees or once the salaries are paid, very little is left for maintenance and developmental activities. For example, in Kaghaznagar the salaries of the municipal staff for the month of May were paid in July for lack of money. In Mahabubnagar about 75 per cent of the income is spent on the salaries. Similar problems faced by the local bodies have been appearing in the press also. The Jangaon municipality in Warangal district is passing through financial crisis following non-payment of property tax by the people for the last three years.... Besides, the municipality has lost Rs. 60,000 income following the transfer of profession tax collections from the municipality<sup>12</sup> to the CTD in 1987-88. Bhimavaram municipality in West Godavari district has experienced a severe financial crisis for the first time since its formation in 1945. Even the municipal staff has not been paid and that includes municipal teachers. The council needs about Rs. seven lakh for monthly payment of salaries besides Rs. one lakh towards administration.<sup>13</sup>

The Act came into force from July 15, 1987. Various categories of assessees and the rates of tax are given in the First Schedule. For salary

<sup>12</sup>Deccan Chronicle, July 18, 1988, Hyderabad,

<sup>13</sup>The Hindu, July 18, 1988, Hyderabad,

and wage earners the tax is to be deducted from the monthly salaries at the time of payment while other assessees are to pay the tax once in a year. Persons whose monthly salaries does not exceed Rs. 1,000 per month are exempted from payment of this levy. By the end of February 1989 the CTD had collected profession tax of about Rs. 956.53 lakh. Devolving this money to the local bodies will go a long way in solving their financial problems. Or if the compensation is to be paid as specified in the Act, the local bodies are the worst victims. It will be great injustice to the local authorities as is happening now in the case of motor vehicle tax. The local authorities with whom discussions were held are apprehensive of not receiving any compensation in view of the utter financial crisis being faced by the state Government. This fear has to be dispelled by the Government.

According to Section 123 of the A.P. Municipalities Act, 1965, the compensation paid towards the loss of income through tolls or vehicle tax on motor vehicles or both is a sum equal to the average annual income derived from these sources during the three years ending on March 31, 1961, for those municipalities constituted after this date. While for those constituted prior to this date, a sum has been fixed without any further increment. It is a well-known fact that the vehicular traffic has increased several fold since 1961 and the local authorities are incurring heavy expenditures towards construction and maintenance of roads. The revenues to the State through the vehicle tax also must have gone up several fold as the number of motor vehicles has increased. But the local bodies are receiving only a pittance fixed more than two and half decades ago. The local bodies should not receive similar fate regarding the profession tax also. The best possible solution is to transfer the entire proceeds of this tax to the respective local bodies after deducting two or three per cent towards collection charges. □

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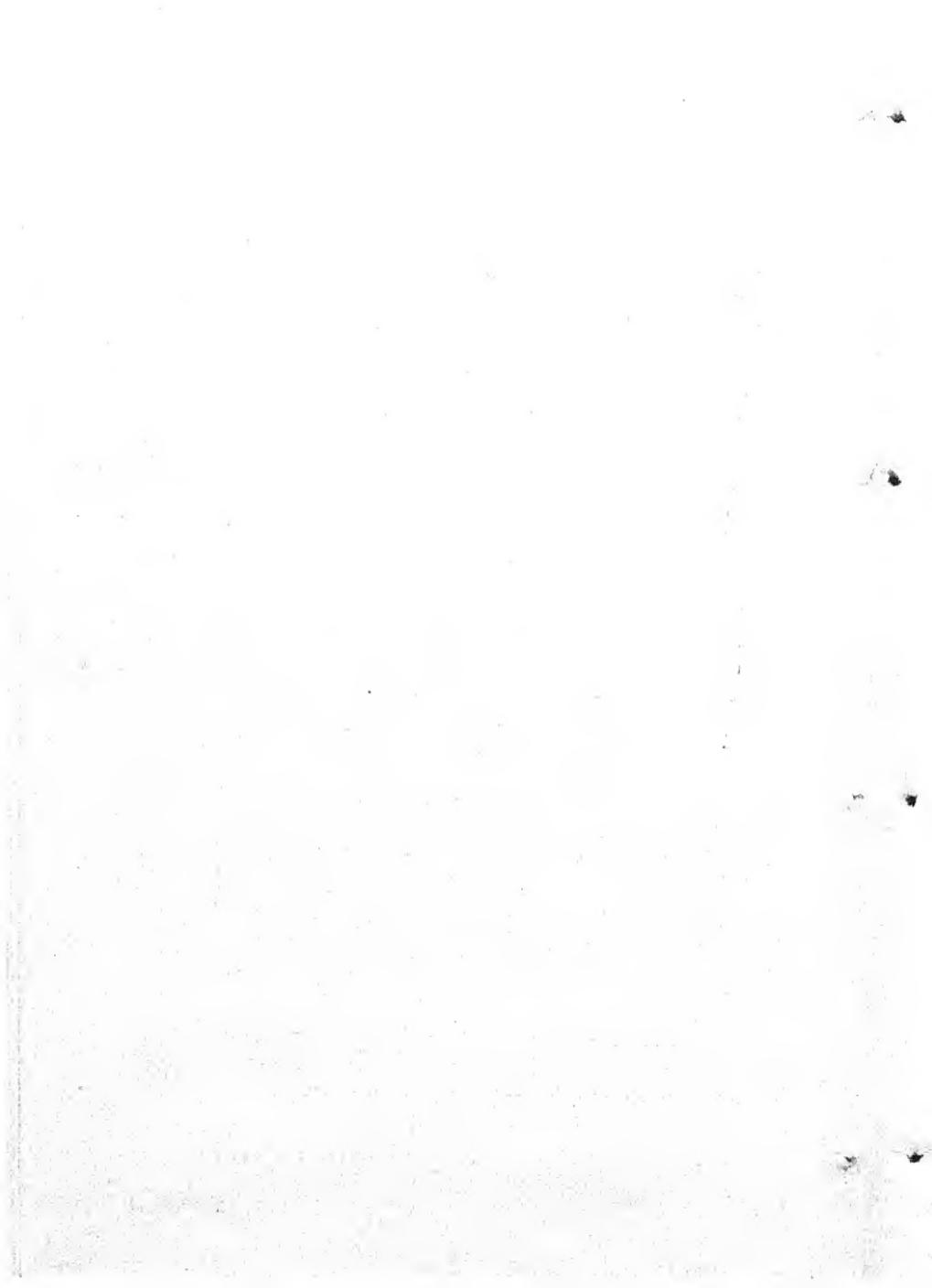
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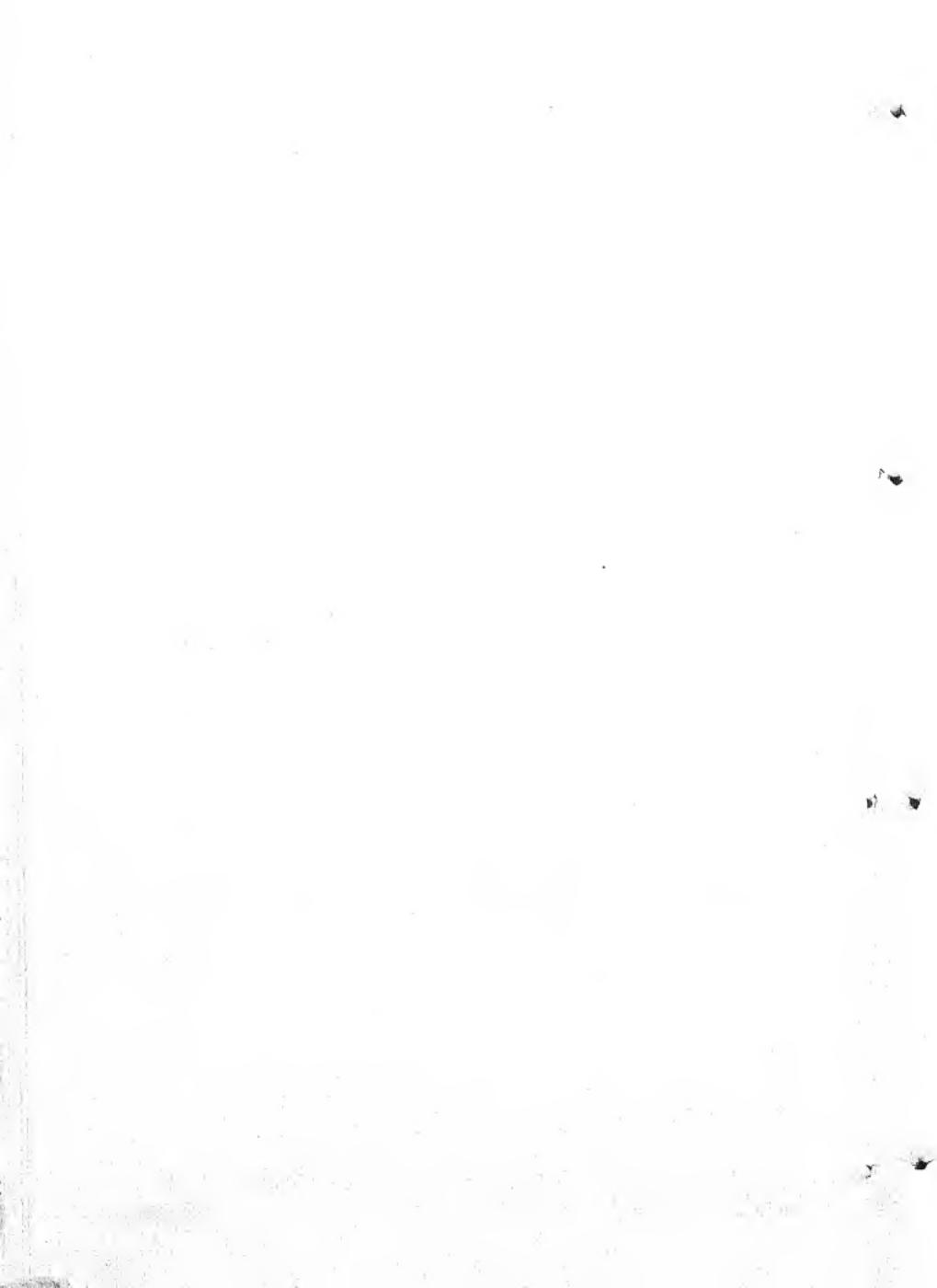
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## *Relevance of Primary Health Care to Urban Poor in Developing Countries*

P.D. KARANDIKAR

EMERGENCE of Primary Health Care (PHC) in the late 1960s, as a qualitatively different approach to health promotion was prompted by several factors. Ebrahim<sup>1</sup> considers convergence of new thinking and strategies in national development and health planning as the most significant factor.

Optimism and enthusiasm generated by the 'modernisation' model of development, which was embraced by most of the Less Developed Countries (LDCs) in the 1950s and 1960s, soon began to give way to disillusionment, when it failed to bring about significant improvements in the welfare of the masses. Modernisation through rapid industrialisation meant directing bulk of the investments into the so-called 'productive' sectors of the economy with the social sectors becoming 'residual' and the issue of distribution of the benefits of development was not too closely examined. Although, some countries achieved impressive rates of growth of GNP, the levels of absolute poverty and deprivation continued to rise almost throughout the Third World.

Apart from limitations of the 'residual' model of social welfare, which had resulted in insufficient allocation of resources to the health sector, the relevance of the emphasis on urban based hospitals and curative services in general came to be re-examined, particularly in the context of geographic inequities in the coverage of health services. It was increasingly recognized that the Western model of medical services served only a small proportion of population, although expenditure on these systems

<sup>1</sup>G.J. Ebrahim, *Social and Community Pediatrics in Developing Countries*, London, MacMillan, 1985.

was disproportionately high.<sup>2</sup>

Some of the early innovations in improving content and coverage of health services, particularly for the underserved rural populations, (and evolving a more appropriate delivery system) emerged in the form of PHC projects in a number of countries in the late 1960s. Many of these projects were undertaken by Non-governmental Organisations (NGOs) in widely different settings and many were supported by international aid agencies. Djukonovic and Mach<sup>3</sup> and Newell<sup>4</sup> who reviewed numerous PHC projects, have noted many common features in them and also a diversity of patterns in terms of links with other activities of national development. Newell<sup>5</sup> categorized the examples from nine countries into three overlapping groups: those examples that represent integration of PHC with the broader national strategy of profound social change and development (China, Cuba, Tanzania); those that represented adoption of PHC on a national scale as extension of existing system (Iran, Niger, Venezuela); and those that represented localised impact of successful PHC projects (India, Indonesia, Guatemala). However, the new approach had demonstrated its relevance and effectiveness in diverse socio-economic, political and institutional settings.

As Gish<sup>6</sup> has observed, "Emergence of a new majority view of development focused upon the needs of the most impoverished, perhaps especially their nutritional and health requirements, has more or less swept the development boards". In the 1970s, revised strategies of national development, which were strongly recommended by international agencies, such as WHO, UNICEF and ILO, placed greater emphasis on development of human capital and the factors supportive of its nurture. There was not only a greater appreciation of the contribution of health services in increasing productivity but improvement of health status of the masses came to be recognized as one of the primary objectives and indicators of development. Much greater attention came to be focused on the multiple determinants of health, many of which lie outside the traditional domain of the health sector, such as safe drinking water, sanitation, nutrition and housing. The increasing recognition of the PHC approach is perhaps due to the fact that it tries to capture the synergism

<sup>2</sup>R. Jolly and M. King, "The Organization of Health Services", in M. King (ed.), *Medical Care in Developing Countries*, Nairobi, Kenya, Oxford University Press, 1966, p. 2.1.2.16; O. Gish, "Health Planning in Developing Countries", in Apthorpe (ed.), *People, Planning and Development Studies*, London, Frank Case, pp. 67-75; B. Abel-Smith, *Value for Money in Health Services*, London, Heinmann Educational Books, 1976.

<sup>3</sup>V. Djukonovic and E.P. Mach, *Alternative Approaches to Meeting Basic Health Needs in Developing Countries*, Geneva, WHO, 1975.

<sup>4</sup>K.W. Newell (ed.), *Health by the People*, Geneva, WHO, 1975.

<sup>5</sup>Ibid.

<sup>6</sup>O. Gish, "The Political Economy of Primary Care and Health by the People: an Historical Exploration", *Social Science and Medicine*, 13C(4), 1977, pp. 203-11.

of a diversity of factors that affect health, in a significantly cost effective manner. Because PHC seeks to operate through active involvement of the communities, it has the potential to go beyond the goals of health improvement and empower the communities to determine their own destiny and gain effective control over factors that affect their lives in a broader sense.<sup>7</sup>

At the joint WHO-UNICEF conference held at Alma-Ata in 1978, the governments of 134 countries and many NGOs endorsed a declaration, which symbolized a common international commitment to reorienting health services by adopting PHC approach. The declaration defines PHC as "Essential health care made universally available to individuals and families in the community by means acceptable to them, through their full participation and at a cost that the community and the country can afford.<sup>8</sup> In the formulation of WHO's strategy of "Health for All by 2000 AD", PHC has been recognized as the principal vehicle for health improvement.

Although, a universal commitment to PHC has thus been achieved in their review of the literature on the subject<sup>9</sup>, encountered as many as 33 definitions of PHC. However, it is possible to identify certain common features of PHC practised in the Third World, such as: (i) equity in terms of coverage of populations and accessibility for different groups, (ii) community participation including use of community volunteers, which presupposes a certain degree of demystification of medicine and deprofessionalization of health services, (iii) focus on prevention, (iv) appropriate technology, and (v) multi-sectoral action.

Lee<sup>10</sup> has observed, "Conceptually, some would argue that all anti-poverty measures...contribute significantly to health, and therefore, should be seen as integral part of the PHC network. Others wish to draw boundaries of PHC more tightly, if only to make planning and implementation more attainable and manageable and therefore would restrict its scope to interventions that fall within the ambit of health sector". Some of the "selective PHC" programmes focus on selected technical and medical components of the original package of PHC such as ORT and immunization on the ground that such interventions are measurable,

<sup>7</sup>D. Morley, J. Rohde and G. Williams, "Practising Health for All", Chapter 19 in Morley, et. al., (ed.), *Practising Health for All*, op. cit., 1987.

<sup>8</sup>World Health Organization, *Primary Health Care*, Geneva, WHO, 1978.

<sup>9</sup>G. Ruby, O. Vpatirch and N. Weisfield, *A Manpower Policy for Primary Health Care: Definition of Primary Health Care*, Department of Health Manpower, Research and Development, Washington DC, Institute of Medicine, 1977.

<sup>10</sup>K. Lee, "Resources and Costs in Primary Health Care", in K. Lee and A Mills (eds.), *The Economics of Health in Developing Countries*, Oxford, UK, Oxford University Press, pp. 89-114, 1983.

cost effective, and politically non-disruptive.<sup>11</sup> The proponents of comprehensive PHC, however, insist that such narrowly focused programmes negate the concept of community participation, reinforce authoritarian attitudes and allow foreign and elite interests to override those of the communities<sup>12</sup>.

Apart from the debates about the scope of PHC, another issue which has increasingly attracted attention, is the relevance of PHC approach to urban areas. "The major concern of PHC so far has been rural areas and relatively fewer urban PHC projects have been undertaken".<sup>13</sup> Is there a sound reason for such differential emphasis and is Urban PHC significantly different from its rural counterpart in terms of content, scope and methodology? These are some of the issues discussed in the following section. In the end, the emerging patterns of Urban PHC are examined and an approach to evolving national health policies is suggested.

#### URBAN BIAS AND HEALTH PROBLEMS OF URBAN POOR

The Alma-Ata conference and launching of "Health for All" campaign by WHO in the late 1970s, seemingly accelerated the spread of PHC movement in the Third World, but the current World policies by many LDCs, has meant curtailing expenditure on social services in many countries.<sup>14</sup> Besides, not many countries have been able to significantly rectify the imbalance between curative and preventive services.<sup>15</sup> The PHC movement, however, appears to have retained its rural focus and programmes for urban areas are relatively few. This imbalance, perhaps, may not be so much due to paucity of resources as the continuing concern with over concentration of medical services in the cities and anxiety to correct the 'urban bias' in health planning. Another reason could be the critical relationship between health and housing in the urban context, which means that the costs of the health related components of PHC would be enormous and also, the governments have to first firm up their policies towards the informal settlements. Some argue that the health

<sup>11</sup>J.P. Unger and J.R. Killingsworth, "Selective Primary Health Care: a Critical Review of Methods and Results", *Social Science and Medicine*, 22(10), 1986 pp. 1001-13.

<sup>12</sup>T. Harpham, T. Lustig and P. Vaughan, *In the Shadow of the City*, Oxford, UK, Oxford University Press, 1988.

<sup>13</sup>T. Harpham, P. Vaughan and S. Rifkin, *Health and the Urban Poor in Developing Countries*, Evaluation and Planning Centre, Publication No. 5, London, London School of Hygiene and Tropical Medicine, 1985.

<sup>14</sup>B. Abel-Smith, "The World Economic Crisis, Part I", *Health Policy and Planning*, 1(3), 1986, pp. 202-13.

<sup>15</sup>World Bank, *Financial Health Services in Developing Countries: An Agenda for Reform*. New York, IBRD, 1987.

professionals, who have traditionally dominated health planning, are opposed to primarization of health services, more particularly in the urban areas.

### *Urban Bias in Planning*

Persistence of mass poverty in the LDCs has been attributed by some observers like Lipton,<sup>16</sup> Mamalakis<sup>17</sup> and Mitra<sup>18</sup> to excessive emphasis on industrialization and relative neglect of agriculture and rural areas. Lipton<sup>19</sup> referred to this fundamental imbalance in development planning as 'urban bias', i.e., a concentration of resources in the urban/industrial sector, both in terms of allocation of government expenditure and in a more dynamic sense, the manipulation of prices to ensure continual transfer of surplus from rural to urban sector of the economy. In one sense, this argument perceives the inequities in development in a spatial perspective, while in the other, it also identifies some areas of immediate conflict of interests between urban poor and rural poor, for instance, food pricing. Lipton argued that although the ultimate beneficiary of a cheap food policy is urban employer, for it helps to depress the wage levels, in the short-run, urban poor benefit at the expense of rural poor. To quote Lipton, "The most important class conflict in the poor countries of the world today, is not between capital and labour... It is between the rural classes and the urban classes".

Although Lipton's urban bias paradigm looks plausible, especially at first sight, as a general theory of development it has been challenged by many critics. Some of the criticisms question the descriptive and analytical adequacy of the notion of distinct urban-rural sectors; while some doubt its validity for analysis of politics<sup>20</sup>. Redclift<sup>21</sup> argues, in the Latin American context, that the urban-rural dichotomy cannot be adequately understood outside the context of international economic relationships and dependency. Ashok Mitra<sup>22</sup>, in the same Indian context as Lipton, makes a counter claim that there emerged in India, in the 1960s, a political alliance between the rural elite and the urban bourgeoisie in

<sup>16</sup>Michael Lipton (ed.), *Rural Poverty and Agriculture*, (Conference Proceedings), Brighton, Institute of Development Studies, (IDS Discussion Paper 104), 1977.

<sup>17</sup>M.J. Mamalakis, "The Theory of Sectoral Clashes", *Latin American Research Review*, 4(3), 1969; and "The Theory of Sectoral Clashes and Coalitions Revisited", *Latin American Research Review*, 6(3), 1971.

<sup>18</sup>A. Mitra, *Terms of Trade and Class Relations*, London, Frank Cass, 1977.

<sup>19</sup>Michael Lipton, *op. cit.*, 1977.

<sup>20</sup>J. Hariss and M. Moor, "Introduction" in J. Hariss and M. Moor (ed.), *Development and the Rural-Urban Divide*, London, Frank Cass, 1984.

<sup>21</sup>M.R. Redclift, "Urban Bias and Rural Poverty: A Latin American Perspective" in J. Hariss and M. Moor (eds.), *Development and the Rural-Urban Divide*, *op. cit.*, 1984, pp. 123-38.

<sup>22</sup>A. Mitra, *op. cit.*

which the rural elite trade their command of mass rural vote banks for policies which *increase* the market prices of agricultural products.

In the context of health planning, however, the concentration of resources in the cities, in terms of hospital beds, trained manpower and budgets is quite obvious and universal. Lipton refers to the inequitable distribution of doctors between large cities and villages, in about 30 countries (Table 1) as evidence of urban bias in health planning.

A World Bank Study<sup>23</sup>, notes that in most LDCs, 70 per cent or more

TABLE 1 DISTRIBUTION OF PHYSICIANS

*(Physicians per 10,000 population, around 1964)*

|                    | <i>Capital and large cities</i> | <i>Rural areas</i> |
|--------------------|---------------------------------|--------------------|
| Argentina          | 28.8                            | 8.0                |
| Bolivia            | 9.7                             | 1.8                |
| Brazil             | 13.9                            | 2.6                |
| Chile              | 10.6                            | 3.4                |
| Colombia           | 7.4                             | 3.8                |
| Costa Rica         | 9.3                             | 2.0                |
| Cuba               | 22.8                            | 5.3                |
| Dominican Republic | 28.5                            | 2.2                |
| Ecuador            | 7.2                             | 2.3                |
| El Salvador        | 7.0                             | 1.0                |
| Ethiopia           | 3.3                             | 0.1                |
| Ghana              | 3.3                             | 0.2                |
| Honduras           | 5.8                             | 0.8                |
| India              | 8.3                             | 0.9                |
| Indonesia          | 5.3                             | 0.5                |
| Iran               | 6.8                             | 0.5                |
| Jamaica            | 11.9                            | 1.8                |
| Kenya              | 4.6                             | 0.5                |
| Korea              | 10.0                            | 1.0                |
| Mexico             | 14.9                            | 3.1                |
| Panama             | 7.1                             | 1.6                |
| Paraguay           | 24.2                            | 1.6                |
| Peru               | 17.1                            | 2.0                |
| Philippines        | 12.5                            | 1.7                |
| Senegal            | 2.3                             | 0.2                |
| Sudan              | 3.6                             | 0.3                |
| Thailand           | 10.6                            | 0.6                |
| Trinidad           | 5.0                             | 2.4                |
| Uruguay            | 19.5                            | 4.5                |
| Venezuela          | 17.6                            | 5.3                |

<sup>23</sup>World Bank, *op. cit.*, 1987.

of government health budgets are spent on urban hospital based care. In China, total health expenditure per capita in 1981 was estimated to be \$ 6 for rural and \$ 19 for urban areas. In Peru, 87 per cent of total public expenditure for health care was spent on curative care in 1980-81. In developing countries, 70 to 90 per cent hospital clients live within ten kilometres of the facility they use. In China, Columbia, Malaysia and Indonesia, the average health sector subsidy captured by urban households was found to be up to five times larger than that captured by rural residents.<sup>24</sup> Morley's "three-quarter" rule sums up the argument: "Although three-quarters of the population in most countries in the tropics and sub-tropics live in rural areas, three-quarters of the spending on medical care is in urban areas, and also three-quarters of the doctors (and other health workers) live there. Three-quarters of deaths are due to conditions that can be prevented at low cost, but three-quarters of the medical budget is spent on curative services, many of them provided at high cost".<sup>25</sup>

Analysis of rural-urban dichotomy in terms of resource allocation is often inadequate and misleading. It relies heavily on input indicators such as doctors, beds and budgets, rather than on intermediate output indicators such as morbidity or mortality, and much less on the ultimate outputs such as health status. It also implies a somewhat simplistic correlation between money spent on hospital services and health improvement. "Estimates of the exact cost effectiveness of alternate types of services are crude, but there is little doubt that costs per life saved are much higher in hospitals than in preventive services and community programmes".<sup>26</sup> How the money is spent is probably more relevant than where it is spent. Moreover, mere presence of a facility does not guarantee that all individuals and groups living within its vicinity will have equal access to it. There is considerable world-wide evidence to suggest that the access of the urban poor to basic urban services is constrained by many economic, social, administrative and political factors.<sup>27</sup> Even in a country like Britain, "despite more than 30 years of a national health service committed to offering equal care for all, there continues to remain a marked gradient in standards of health between the social classes".<sup>28</sup>

<sup>24</sup>World Bank, *op. cit.*, 1987.

<sup>25</sup>D. Morley, *Paediatric Priorities in the Developing World*, London, Butterworths, 1973, pp. 57-9.

<sup>26</sup>World Bank, *op. cit.*, 1987.

<sup>27</sup>G.S. Cheema, "Reaching the Urban Poor: an Introduction" in *Reaching the Urban Poor*, Boulder, Westview Press, 1986.

<sup>28</sup>G.J. Ebrahim, "Health Care and the Urban Poor", in P.J. Richards and A.M. Thomson (eds.), *Basic Needs and the Urban Poor*, London, Croom Helm, 1984, pp. 93-121.

Roger England<sup>29</sup> has suggested that most of the literature dealing with health planning in developing countries was using dangerous oversimplifications, which had acquired unjustified credibility and become myths. The first myth that England tackled was that of "put the rural areas first", which, according to him, was based on purely demographic considerations but did not take into account rapid urbanization rates in the Third World and particularly, rapid growth of the number of urban poor. He further argues that to overemphasize the urban-rural distinction is to disguise the much more fundamental distinction between rich and poor, of structural issues of income distribution, access to opportunity, ownership of land and other means of production.

### *Urbanization Trends*

The urban proportion of population is increasing rapidly in most developing countries. Between 1950 and 1975, it increased at an average annual rate of 4.2 per cent and is likely to grow at a rate in excess of 4 per cent until 1990s.<sup>30</sup> These rates are far in excess of growth rates for rural populations. From 1950 to 1980, the proportion of urban inhabitants increased from 16.2 per cent to 30.5 per cent of total population and it is projected to reach 44 per cent by the year 2000.<sup>31</sup> The pace of demographic shift towards urbanization is not uniform in the Third World. Generally speaking, those regions with lower absolute levels of urbanization, such as Sub-Saharan Africa and some parts of Asia, are experiencing some of the most rapid relative rates of urbanization.<sup>32</sup> (Tables 2, 3 and 4).

The projections also show that the larger cities will continue to expand fairly rapidly. The number of people living in million plus cities in the Third World is expected to nearly treble from about 339 million in 1980 to 931 million by the year 2000 and the number of such cities, which has increased from 52 in 1950 to 119 in 1980, is likely to reach about 284 in the year 2000<sup>33</sup> (Table 2).

The data base of many of the projections is of a dubious reliability, for the definition of 'urban' varies a great deal from country to country and many countries have not had a census for years so outdated data had been used by extrapolation. However, certain valid generaliza-

<sup>29</sup>R. England, "More Myths in International Health Planning", *American Journal of Public Health*, 68, 1978, pp. 153-59.

<sup>30</sup>United Nations, "Patterns of Urban and Rural Population Growth", *Population Studies*, No. 68, New York, UN, 1980.

<sup>31</sup>J.J. Donohue, "Some Facts and Figures on Urbanization in the Developing World", *Assignment Children*, 57/58, 1982, pp. 21-41.

<sup>32</sup>T. Harpham, T. Lusty and P. Vaughan, *op. cit.*, 1988.

<sup>33</sup>P. Bairoch, "Employment and Large Cities: Problems and Outlook", *International Labour Review*, 121, 1982, pp. 519-23.

TABLE 2 POPULATION LIVING IN URBAN AREAS AND IN  
DIFFERENT SIZE CITIES FOR AFRICA, ASIA AND  
LATIN AMERICA

|  | 1950   |      | 1980   |      | 2000   |      |
|--|--------|------|--------|------|--------|------|
|  | Nos.   | %    | Nos.   | %    | Nos.   | %    |
| <i>(Population in urban areas)</i>                           |        |      |        |      |        |      |
| Africa   | 31.8m  | 14.4 | 133.0m | 28.9 | 345.8m | 42.5 |
| Latin America  | 66.3m  | 40.6 | 240.6m | 64.8 | 466.2m | 75.2 |
| East Asia  | 108.9m | 16.0 | 359.5m | 33.1 | 622.4m | 45.4 |
| South Asia   | 107.4m | 15.5 | 329.8  | 23.1 | 790.7m | 34.9 |
| <i>Population in cities of 100,000 or More Inhabitants</i>   |        |      |        |      |        |      |
| Africa   | 14.0m  | 6.4  | 86.2m  | 18.7 | 242.1m | 30.6 |
| Latin America  | 30.7m  | 19.9 | 157.9m | 42.5 | 534.9m | 57.3 |
| East Asia  | 64.2m  | 9.5  | 229.8m | 21.1 | 431.2m | 31.5 |
| South Asia   | 49.0m  | 7.1  | 204.8  | 14.4 | 538.9m | 23.8 |
| <i>Population in Cities of 1 Million or More Inhabitants</i> |        |      |        |      |        |      |
| Africa   | 3.5m   | 1.6  | 36.5m  | 7.9  | 154.6m | 19.0 |
| Latin America  | 15.3m  | 9.7  | 101.3m | 27.3 | 232.2m | 37.5 |
| East Asia  | 31.1m  | 4.6  | 131.9m | 12.1 | 261.5m | 14.5 |
| South Asia   | 17.9m  | 2.6  | 105.9m | 7.4  | 328.2m | 14.5 |
| <i>Population in Cities of 5 Million or More Inhabitants</i> |        |      |        |      |        |      |
| Africa   | 0.0m   | 0.0  | 7.5m   | 1.6  | 58.3m  | 7.2  |
| Latin America  | 5.2m   | 3.2  | 50.6m  | 13.6 | 147.5m | 23.8 |
| East Asia  | 12.5m  | 1.8  | 58.1m  | 5.3  | 125.2m | 9.1  |
| South Asia   | 0.0m   | 0.0  | 45.2m  | 3.2  | 790.7m | 8.4  |

SOURCE : United Nations, 1980.

N.B. East Asia statistics include Japan.

tions can still be made about the Third World, which point to an unmistakable demographic shift towards urbanization.<sup>34</sup>

Perhaps more significant trend in the Third World urbanization is a worsening in absolute as well as relative poverty for a considerable

<sup>34</sup>J.E. Hardoy "Urban Change in the Third World", *Habitat International*, 10(3), 1986, pp. 33-52; "Third World Cities and the Environment of Poverty", Chapter 7 in R. Repetto (ed.), *The Global Possible Resources, Development and the New Century*, London, Yale University Press, 1986.

TABLE 3 URBAN POPULATION, TOTAL INCREASE IN URBAN POPULATION, AND PERCENTAGE INCREASE 1975 (EST.) 2000

| <i>Major areas of LDCs</i>         | <i>Total urban population in 1975 (millions)</i> | <i>Total urban population increase 1975-2000 (millions)</i> | <i>Percentage increase 1975-2000</i> |
|------------------------------------|--|---|--------------------------------------|
| All LDCs                           | 838.4  | 1283.7  | 253                                  |
| Northern Africa                    | 38.2   | 71.6  | 287                                  |
| Sub-Saharan Africa                 | 66.0   | 185.9   | 382                                  |
| Latin America                      | 198.1  | 230.0   | 216                                  |
| China                              | 218.0  | 273.9   | 226                                  |
| Other East Asia                    | 30.6   | 34.0  | 211                                  |
| Eastern South Asia                 | 68.8   | 111.0   | 261                                  |
| Middle South Asia                  | 75.9   | 302.0   | 272                                  |
| Western South Asia                 | 21.2   | 42.8  | 302                                  |
| Melanesia-Micronesia and Polynesia | 1.1  | 3.4   | 409                                  |

SOURCE : J.J. Donohue, "Some Facts and Figures on Urbanization in the Developing Worlds", *Assignment Children*, 57/58, 1982.

TABLE 4 URBANIZATION TRENDS 1965-84

| <i>Urban Population</i>            | <i>As percentage of total population</i> |             | <i>Average annual growth rate (%)</i> |                |
|------------------------------------|--|-------------|---------------------------------------|----------------|
|                                    | <i>1965</i>                              | <i>1984</i> | <i>1965-73</i>                        | <i>1973-84</i> |
| Low income economies               | 17                                       | 23          | 4.5                                   | 4.6            |
| China and India                    | 18                                       | 23          | —                                     | —              |
| Other LDCs                         | 13                                       | 22          | 5.2                                   | 5.1            |
| Sub-Saharan Africa                 | 11                                       | 21          | 6.2                                   | 6.1            |
| Middle income economies            | 36                                       | 49          | 4.5                                   | 4.1            |
| Oil exporters                      | 29                                       | 42          | 4.4                                   | 4.4            |
| Oil importers                      | 40                                       | 55          | 4.5                                   | 3.6            |
| Sub-Saharan Africa                 | 16                                       | 28          | 6.4                                   | 5.9            |
| Lower middle income                | 26                                       | 37          | 5.1                                   | 4.2            |
| Upper middle income                | 49                                       | 65          | 3.9                                   | 4.1            |
| High income oil exporters          | 36                                       | 70          | 9.2                                   | 7.7            |
| Industrial market economies        | 72                                       | 77          | 1.8                                   | 1.2            |
| East European non-market economies | 52                                       | 64          | 2.6                                   | 1.8            |

NOTE : Weighted averages used.

SOURCE : World Bank, 1987.

proportion of population. As Moser and Satterthwaite<sup>35</sup> have observed, "At its simplest, the cause is judged to be a growth in urban population far outstripping the rate at which adequately paid, stable urban jobs have been created." Since the 1950s the proportion of low income households has risen at twice the rate of total urban population<sup>36</sup>, putting severe pressures on urban lands, housing and civic amenities. The most visible signs of urban poverty in LDCs are the overcrowded and inadequately serviced slums and shacks built on illegally occupied or subdivided land. The available evidence suggests that in the 1960s, slum and shanty town dwellers represented on an average 30-60 per cent of the population of the Third World cities (Table 5). At present, an average of 50 per cent of the urban population in the LDCs are estimated to be living at the level of extreme poverty.<sup>37</sup> In India, about 41 per cent of urban households or 64 million people had incomes below the absolute urban poverty line, in 1980.<sup>38</sup>

#### *Urban-rural Comparisons*

City health statistics usually looking better than rural ones,<sup>39</sup> suggest that the reason is either that the squatter or slum inhabitants do not appear in the statistics (their settlements are illegal) or that their inclusion is obscured by the enormous difference that exists between their status and that of the small, middle to high income parts of the city. Thus, a misleading average often becomes the basis of that city's statistics.

Basta<sup>40</sup> after comparing data from nine developing countries concluded that except in one country, Tunisia, rural per capita food consumption levels were higher than those of urban residents.

A study of data from Brazil and Sri Lanka, differentiated by income levels for urban and rural populations, indicated that for the lowest income groups, urban intake was significantly lower than rural.<sup>41</sup>

<sup>35</sup>C. Moser and D. Satterthwaite, "The Characteristics and Sociology of Poor Urban Communities", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>36</sup>O.F. Grimes (Jr.), *Housing for Low-income Families—Economics and Policy in the Developing World*, World Bank Research Publication, Baltimore, USA, John Hopkins University Press, 1976.

<sup>37</sup>T. Harpham, T. Lusty and P. Vaughan, *op. cit.*, 1988.

<sup>38</sup>Bombay Municipal Corporation, 1985, 1987, Internal Working Papers, (unpublished).

<sup>39</sup>S.S. Basta, "Nutrition and Health in Low-income Urban Areas of the Third World", *Ecology of Food and Nutrition*, 6, 1977, pp. 113-24.

<sup>40</sup>S.S. Basta, *op. cit.*, 1977.

<sup>41</sup>Lee One-fu and B.B. Furst, *Differential Indicators of Living Conditions in Urban and Rural Places of Selected Countries*, Washington DC, Applied Systems Institute, 1977,

TABLE 5 PERCENTAGE OF URBAN POOR OR OF URBAN POPULATIONS IN SUB-STANDARD HOUSING WITH INADEQUATE OR NO SERVICES (BY REGIONS, COUNTRIES AND CITIES AROUND 1980)

| <i>Regions/Countries/<br/>Cities</i> | <i>Percentage</i> | <i>Regions/Countries/<br/>Cities</i> | <i>Percentage</i> |
|--------------------------------------|-------------------|--------------------------------------|-------------------|
| <b>AFRICA</b>                        |                   | <b>AMERICAS</b>                      |                   |
| Angola                               | 44—60             | Brazil (Porto Alegre)                | 15                |
| Benin                                | 30                | Brazil (Sao Paulo)                   | 55                |
| Burkina Faso                         | 62                | Chile                                | 14                |
| Burundi                              | 60                | Chile (Santiago)                     | 25                |
| Cap Vert                             | 18                | Colombia                             | 54                |
| Ethiopia (Addis Ababa)               | 79                | Colombia (Medellin)                  | 33 (1)            |
| Gambia                               | 20                | Ecuador                              | 53                |
| Ivory Coast (Abidjan)                | 79                | Ecuador (Guayaquil)                  | 60—75             |
| Kenya (Nairobi)                      | 40                | EI Salvador                          | 29                |
| Lesotho                              | 59                | Haiti (Port au Prince)               | 50                |
| Madagascar                           | 27                | Mexico City                          | 30—40             |
| Malawi                               | 80                | Panama (Panama City)                 | 73                |
| Mauritania (Nouakchott)              | 60—70             | Peru                                 | 33                |
| Mozambique (Maputo)                  | 80                | Peru (Lima)                          | 40                |
| Niger                                | 51                | Venezuela                            | 47                |
| Rwanda                               | 61                |                                      |                   |
| Senegal (Dakar)                      | 50                | <b>SOUTH EAST ASIA</b>               |                   |
| Sierra Leone                         | 80                | Bangladesh                           | 60                |
| Somalia (Mogadishu)                  | 60—80             | India (Bombay)                       | 35                |
| Togo                                 | 40                | India (Calcutta)                     | 37                |
|                                      |                   | India (Delhi)                        | 56                |
| <b>EUROPE</b>                        |                   | India (Hyderabad)                    | 23                |
| Turkey                               |                   | Indonesia (Jakarta)                  | 20 (2)            |
|                                      |                   | Nepal                                | 28—31             |
| <b>EASTERN MEDITERRANEAN</b>         |                   | Sri Lanka                            | 42—54             |
| Egypt                                | 19                | Sri Lanka (Colombo)                  | 57 (3)            |
| Jordon (Amman-Zerga)                 | 25                | Thailand (Bangkok)                   | 20                |
| Yemen Arab Republic                  | 75                |                                      |                   |
| Democratic Arab Yemen                | 40                | <b>WESTERN PACIFIC</b>               |                   |
|                                      |                   | Korea, Rep. of                       | 5                 |
|                                      |                   | Korea, Rep. of (Seoul)               | 6                 |
|                                      |                   | Fiji                                 | 10                |
|                                      |                   | Macao                                | 1                 |
|                                      |                   | Malaysia (Kuala Lumpur)              | 25                |
|                                      |                   | Philippines                          | 30 (3)            |
|                                      |                   | Solomon Islands                      | 9                 |

NOTES : 1. Low income population living in 17 'barrio' or settlements.

2. Estimated percentage year 1975.

3. Percentage of the city's total population 1975.

After examining findings of ten other recent studies conducted in different countries at different times, Harpham and Vaughan<sup>42</sup> concluded that in terms of nutritional status, the idea that health conditions are worse in rural areas than urban areas is a myth. Often, malnutrition is more prevalent in urban areas than rural areas and the extent of malnutrition among urban poor is more severe than among their rural counterparts.

In a comparison of data for 18 urban and rural sample areas from six Latin American countries, it was observed by Puffer and Serrano<sup>43</sup> that only two countries, Bolivia and El Salvador, had clearly higher rural childhood mortality than urban. Lee and Furst<sup>44</sup> conclude that the high infant and child mortality rates among urban poor are more comparable with their rural counterparts than with their fellow urban dwellers of upper class.

Some other urban-rural differences referred to by Harpham<sup>45</sup> include Coulibaly's study, which showed that the average annual incidence of tuberculosis infection in the Ivory Coast was 1.5 per cent and that ranged from 0.5 per cent in rural areas to 2.5 per cent in Abidjan; and a study of Ascaris prevalence in Dube, Soweto which showed that incidence was seven times higher in urban communities than the rural highveld communities.

Although poverty is an all pervading phenomenon in the Third World, it is possible to identify certain distinctive characteristics of urban poverty, which have an important bearing on health.

"The most obvious, in fact tautological, characteristic of urban poor is that they live much closer to one another than do the rural poor."<sup>46</sup> The urban population densities vary a great deal, even within a city, and sometimes may reach levels of 10,675 persons per hectare of net residential area as in Kalbadevi area of central Bombay.<sup>47</sup> High population densities coupled with inadequate sanitation services probably account for high incidence of infections diseases and epidemics in the slums of the Third World cities. High densities of dwellings and lack of internal roads mean poor accessibility for emergency and life saving services.

<sup>42</sup>T. Harpham and P. Vaughan, "Myths about Urban Health". Paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>43</sup>R.R. Puffer and C.V. Serrano, *Patterns of Mortality in Childhood*, Pan American Health Organization Science Publications No. 262, Washington DC, 1973.

<sup>44</sup>Lee One-fu and B.B. Fuast, *op. cit.*, 1977.

<sup>45</sup>T. Harpham, T. Lusty and P. Vaughan, *op. cit.*, 1988.

<sup>46</sup>A.M. Thomson, "Urban Poverty and Basic Needs: the Role of Public Sector", Chapter 2 in *Basic Needs and the Urban Poor* edited by P.J. Richards and A.M. Thomson, 1984.

<sup>47</sup>C.A.K. Yesudian, "Primary Health Care in Urban Areas—Problems and Issues", *The Indian Journal of Social Work*, 95, 1984, pp. 63-76.

The spatial distribution of urban poor may vary among cities but usually new squatter settlements, come up on the periphery, often on inhabitable lands because of their low value. Many of these sites could be positively dangerous and unhealthy, such as the squatters on the steep hillsides of Rio de Janeiro, Brazil or tidal swamplands of Guayakil, Ecuador or sandy desertlands of Lima, Peru. All who live in inner city slums or peripheral squatters are not necessarily poor but almost all the poor live in those areas. This makes them very visible. A slum dwelling is usually constructed of some impermanent material like thatch and cow-dung, wooden planks, gunny cloth or polythene sheets and more often, it is a one room hutment without kitchen or toilet. Cooking may be done inside or outside the house. For bathing and defecation, open spaces must be found and used, for very few slums have been provided with public lavatories and even where such facilities do exist, they are usually inadequate. In the inner cities, crowded tenements are often shared by a large number of persons or families. Absence or inadequacy of services such as sanitation and garbage disposal creates an unhealthy environment, from which there is no escape. Provision of services is constrained by the assumed illegality of these settlements or lack of funds with the local governments or both. For instance, in India's five major cities, the proportion of houses without tap water ranges from 33.1 per cent in Ahmedabad to 66.9 per cent in Calcutta and the proportion of houses without toilet facilities ranges from 26.1 per cent in Ahmedabad to 50 per cent in Calcutta.<sup>48</sup>

Other typically urban environmental problems that the poor must face are air and water pollution; dangerous or unhealthy working conditions and hazardous traffic. Environmental pollution affects the poor more severely, since most of them live at the periphery where manufacturing, processing and distilling plants are often built and where environmental protection is frequently weakest.<sup>49</sup> In 1984, the escape of lethal gas in Bhopal (India), which killed more than 3000 persons (mostly from peripheral slums), demonstrated the vulnerability of squatters.

Environment of urban poverty with its inadequate services, over-crowding, poor and dangerous housing, and pollution, exposes the urban poor to a variety of infectious diseases and malnutrition. Urban malaria, tuberculosis and pneumonia, leprosy, meningococcal meningitis, preventable infections in children such as measles, whooping cough and polio, diarrhoeal diseases and intestinal worm infections are

<sup>48</sup>India Today, January 31, 1987.

<sup>49</sup>A. Rossi-Espagnet, *Primary Health Care in Urban Areas: Reaching the Urban Poor in Developing Countries—a State-of-the Art Report by UNICEF and WHO*, Report No. 2498M, Geneva, WHO, 1984.

some of the most common health problems apart from higher morbidity and mortality due to accidents.

Malnutrition is directly derived from poverty but in urban areas it can have a different dimension. Urban poor, unlike rural poor, live in an almost entirely monetised economy and urban employment, even in the informal sector, tends to be formalised. Urban poor, for the most part, have to buy their food, fuel and sometimes even drinking water. In Nouakchott (Mauritania), the price of drinking water bought from a watermerchant can be up to 100 times that of piped water.<sup>50</sup> There are fewer opportunities to supplement the food intake by growing some crops or by keeping live-stock or by earning part of the wages in kind. These factors may have an important bearing on the higher levels of malnutrition among urban poor, as observed in many of the studies.<sup>51</sup>

Malnutrition in children often occurs both as a cause and as an effect of diarrhoeal diseases and is estimated to cause death of nearly two million children worldwide every year.<sup>52</sup> It may occur in the Third World cities from a variety of other causes. Infant and child feeding is more difficult for the working women and often young infants are left in the care of older siblings. Families have to often buy more expensive but nutritionally deficient junk foods. Moreover, unstable employment means that food is bought almost daily in small quantities at higher unit cost. A study conducted in the bustees of New Delhi, revealed that between 40 and 60 per cent of children under the age of five showed evidence of malnutrition and 40 per cent of the mothers were required to leave their infants in the care of older children. More than 90 per cent of the families could not afford a balanced diet, in spite of spending more than 80 per cent of their earnings on food.<sup>53</sup> The changing infant feeding practices among the urban poor may partly be due to commercial advertising of baby foods and other substitutes, resulting in what Ebrahim calls 'commercioigenic' malnutrition. Lack of breast feeding means that severe malnutrition may get well established in the first six months of child's life and rising incidence of xerophthalmia and marasmus.<sup>54</sup>

Social and psychological problems, mainly arising out of economic and social instability in the Third World cities, form another formidable group of causative factors. The protective structure of rural

<sup>50</sup>S. Thaunynck and M. Dia. "The Young and the Less Young in Infra-urban Areas in Mauritania", *African Environment*, Vol. 14-16, 1987,

<sup>51</sup>V. Nelson and P.E. Mandl, "Peri-urban Malnutrition: a Neglected Problem" in *Assignment Children*, 43, 1978, pp. 25-46.

<sup>52</sup>T. Harpham, T. Lusty and P. Vaughan, *op. cit.*, 1988.

<sup>53</sup>G.J. Ebrahim, *op. cit.*, 1985.

<sup>54</sup>*Idib.*

communities and extended families is generally replaced by the nuclear family unit in the cities and even single parent households, often headed by women, are becoming increasingly common, with the proportion of such households reaching more than 50 per cent in many Latin American cities.<sup>55</sup> With the need for women to earn wages, children are often neglected. UNICEF estimates that there may be up to 40 million abandoned children in Latin America and the Caribbean alone. Children may have to earn wages too, quite often in precarious working conditions, where they may well be exposed to accidents and abuse.<sup>56</sup> In Bombay, nearly 20,000 children are employed by small, shoe factories located in slums. These children work up to 12 hours a day, for a meagre income, though child labour is not legal.<sup>57</sup> Prostitution (often involving children), venereal diseases, drug addiction, smoking and alcoholism are growing problems in poor urban areas.<sup>58</sup>

#### *Intra-urban Comparisons*

Differences in health status among different socio-economic classes may perhaps be more acute than urban-rural differences but as Rossi-Espagnet has observed, "a systematic study of intra-urban differentials in health and health related conditions has not been carried out anywhere in the developing world".<sup>59</sup>

Basta<sup>60</sup> has noted that many Third World cities report IMRs of between 75 and 90 per thousand births but amongst urban poor, these rates are much higher. In Manila, it is three times higher in the slums than in the rest of city. Prevalence rates of diarrhoea and tuberculosis are two and nine times higher respectively, in the slums than in the city. Twice as many people were found to be anaemic and three times as many were suffering from malnutrition compared to the rest of the city.

Findings of some other relevant studies referred to by Harpham and Vaughan<sup>61</sup> are: in Buenos Aires, mortality by tuberculosis is three times higher in the peripheral areas than in the central city areas; in Singapore, incidence of hookworm, ascaris and trichuris was 75.4 per cent among squatters compared to 32.1 per cent among flat owners; in Panama City, of 1819 infants with diarrhoeal diseases, 68 per cent came from slums and shanty towns.

<sup>55</sup>N. Youssef and C. Hetler, "Establishing the Economic Conditions of Women-headed Households in the Third World: a New Approach" in M. Buvinic (ed.), *Women and Poverty in the Third World*, Baltimore, John Hopkins University, 1983.

<sup>56</sup>T. Harpham and P. Vaughan, *op. cit.*, 1985.

<sup>57</sup>*Times of India*, April 26, 1984.

<sup>58</sup>A. Rossi-Espagnet, *op. cit.*, 1984.

<sup>59</sup>*Ibid.*

<sup>60</sup>S.S. Basta, *op. cit.*

<sup>61</sup>T. Harpham and P. Vaughan, *op. cit.*, 1985.

In Cheetapur slum of Allahabad (India), a survey in 1984 revealed that 55 per cent of the children and 45 per cent of adults had worm infections and 60 per cent had scabies. Most inhabitants had daily food intakes of less than 1500 calories and 90 per cent of infants and children had intakes significantly below the minimum needed<sup>62</sup>. A child born today in a Third World slum is 40 to 50 times more likely to die before the age of five than a child born in a prosperous Western nation<sup>63</sup>.

Not much data on the gender differences in the health status can be found easily, as the studies are not generally analysed in such a manner as to give this information. For the most part, this has to be inferred from the available disaggregated mortality statistics and sex ratios, which suggest that the health status of women (and children) is generally inferior to that of male adults. Kothari<sup>64</sup> has reported that the health condition of women and children in Bombay's slums is appalling. A very high incidence of perinatal and neonatal mortality was found in Dharawi slums of Bombay.

### *Health and Housing*

"Adequate housing provides protection against exposures to agents and vectors of communicable diseases, as also protection against avoidable injuries, poisonings, and thermal and other exposures that may contribute to chronic diseases and malignancies".<sup>65</sup> Linkages between health and housing (which includes structure, the plot of land on which it stands, the services and amenities and the neighbourhood) are well recognized and documented but rarely translated in planning low income housing programmes in the LDCs. Much of the planning tends to be compartmentalised, perhaps as much due to mutual incomprehension between the housing experts and health professionals, as due to ambiguity and adhucism in the macro level policies.

"Health goals have, for the most part, been looked upon as implicit by-products of improved housing but have not been given enough emphasis in planning low income housing programmes in developing countries".<sup>66</sup> The planners, architects and engineers who design such projects rarely consult or involve health experts. On their part, the

<sup>62</sup>H.N. Misra "Popular Settlements in the City of Allahabad: Findings from three, Case Studies", *Cities*, May 1988.

<sup>63</sup>IIED, *Urbanisation and its Implications for Child Health: Potential for Action*, London, International Institute for Environment and Development, 1987.

<sup>64</sup>G. Kothari, "Urban Primary Health Care Programme in Dharavi (Bombay)", paper presented at a Workshop on "Urban Community Health" at Preventive and Social Medicine Department, Bombay, L.T.M. Medical College, (unpublished), 1986.

<sup>65</sup>World Health Organisation, *Housing and Health: An Agenda for Action*, Geneva, WHO, 1987.

<sup>66</sup>B. Stephems, J.P. Mason and R.B. Isley, "Health and Low-cost Housing", *World Health Forum*, 6(1), 1985, pp. 59-62.

health professionals also discourage involvement of architects and engineers in health issues, which is considered the exclusive domain of health professionals.<sup>67</sup> Although the limitations of hospital based superspecialities in tackling health problems are well recognized, there is still a strong emphasis on the role of medical professionals even in PHC programmes. This is illustrated in the idea of selective PHC, through which non-medical activities—water supply, sanitation and nutrition—critical parts of the original PHC package are rejected as less cost effective than medical interventions such as ORT and Immunization.<sup>68</sup> Given the undisputed utility of ORT in treatment of diarrhoeas, its long-term impact can but be limited if risks of reinfection are not addressed.<sup>69</sup>

The case of recent outbreak of cholera in New Delhi (the worst in its history) which resulted in over 5000 hospital admissions and over 225 deaths, illustrates the critical linkages between health and housing and also the need for coordination between agencies. The areas most affected by the epidemic are three resettlement colonies, i.e., relocated slums in the trans-Yamuna area. *Prima facie*, the epidemic was caused by contamination of shallow tubewells by uncleared garbage and sewerage, the responsibility for which was a matter of dispute between the public housing agency and the municipal corporation. The dispute was summarily resolved by the Prime Minister when he visited the area.<sup>70</sup>

The public housing agencies and health departments have much to gain by integrating their activities. In most of the LDCs low income housing is underfunded. If the housing agencies can present hard evidence on the magnitude of the health problems of urban poor and demonstrate how to reach such groups cheaply and effectively, their case for more resources is likely to be strengthened, as was demonstrated in the Health Assessment, and Outreach Programme in Amman, Jordan.<sup>71</sup> On the other hand, the agencies charged with urban community health programmes are often faced with the problem of securing participation of heterogeneous urban communities for whom health interventions may not be a high priority and therefore, may not have the same motivation to participate in health activities as activities

<sup>67</sup>D. Satterthwaite, Introduction to "Improving Urban Environments for Child Health and Development", *Urban Examples*, No. 15, New York, UNICEF, 1988, pp. 3-10.

<sup>68</sup>J. Briscoe, "Water Supply and Health in Developing Countries: Selective Primary Health Care Revisited", Chapter 6 in J.S. Tulchin (ed.), *Habitat, Health and Development*, Boulder, Reiner Publishers, 1986.

<sup>69</sup>D. Satterthwaite, *op. cit.*, 1988.

<sup>70</sup>*Hindustan Times*, July 24 & 31, 1988.

<sup>71</sup>UNICEF, "Improving Urban Environments for Child Health and Development", in *Urban Examples*, *op. cit.*

for housing or environmental improvements.<sup>72</sup> If the health programmes are integrated with housing and slum upgradation programmes (SUPs), the communities are likely to respond more favourably as was demonstrated in the Community Development Project of Hyderabad, India<sup>73</sup> and Urban Basic Services (UBS) project of Colombo, Sri Lanka.<sup>74</sup>

Macro level policy approaches to urban low income housing have developed slowly and haltingly in most developing countries. A World Bank study<sup>75</sup> estimated that more than 64 per cent of the households in Ahmedabad, 35 per cent in Bangkok, 47 per cent in Bogota, 63 per cent in Madras and 55 per cent in Mexico city were unable to afford the cheapest dwellings available in the open markets of those cities. As slums and shanty towns continued to proliferate in the 1960s and 1970s, the response of most governments was two fold: stepping up programmes of constructing public housing estates on cheap, peripheral lands and bulldozing slums.<sup>76</sup> Both the approaches were unworkable. The public agencies were building too few houses, too slowly and too expensively to meet more than a nominal proportion of the demand. Slum clearance programmes (we still have not seen the last of them), apart from often being politically infeasible, squandered scarce resources on replacing existing dwellings and the poor simply moved to other slums.<sup>77</sup>

Changes, which first began sporadically, as evidenced in extension of some services to selected slums (without legalising tenures) or in prototype sites-and-services projects (SSPs) as temporary relocation measures, soon began to take shape of alternate housing strategies.<sup>78</sup> The conceptual foundation for the new approaches was provided by observers like Abrams<sup>79</sup> and Turner<sup>80</sup> who questioned the wisdom of not recognizing and exploiting the tremendous potential of informal housing processes in self-help housing. The two principal forms of state aided

<sup>72</sup>S.B. Rifkin, *Health Planning and Community Participation: Case Studies in South-East Asia*, Beckenham, Croom Helm, 1985.

<sup>73</sup>W.J. Cousins and C. Goyder, "Hyderabad Urban Community Development Project", Chapter 10 in *Reaching the Urban Poor, op. cit.*, 1986; R. Rau, "Hyderabad Urban Community Development Project", Paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>74</sup>UNICEF, *op. cit.*, 1988.

<sup>75</sup>World Bank, *Housing: Sector Policy Paper*, New York, IBRD, 1975.

<sup>76</sup>G.K. Payne, "Introduction" in G.K. Payne (ed.), *Low-Income Housing in the Developing World*, Chichester, John Wiley, 1984.

<sup>77</sup>G.J. Ebrahim, *op. cit.*, 1985.

<sup>78</sup>G.K. Payne, *op. cit.*, 1984.

<sup>79</sup>C. Abrams, *Housing in the Modern World: Man's Struggle for Shelter in an Urbanizing World*, Cambridge, USA, MIT Press, 1964.

<sup>80</sup>J.F.C. Turner, *Housing by People*, London, Marion Boyars, 1976.

self-help housing that emerged—SSPs and SUPs—were attractive to the authorities not so much because of their intrinsic worth as their practical value.<sup>81</sup> For the low-income households, these were often the only legal alternatives to squatting and often enable them to be flexible in their housing budgets, levels and pace of development. The international aid agencies, particularly the World Bank, have actively supported the new approaches. Between 1972 and 1981, the World Bank and its associates agencies have sanctioned 50 loans to 35 countries. About two million people have benefited from the Bank-assisted SSPs and about seven million from SUPs.<sup>82</sup>

Most countries, however, have undertaken such innovative housing projects on a trial basis, in a few individual cases, mostly to avail credits and by adopting *ad hoc* procedures rather than by evolving comprehensive, national policies. In fact, out of seventeen countries to adopt SSPs which were surveyed, only two—Tanzania and Sudan—had made them a central part of urban housing policies.<sup>83</sup> Few countries have tried to radically change the ways in which housing resources such as land, capital, materials and labour are allocated.<sup>84</sup> Secondly, only a handful projects such as Dandora (Kenya), Lusaka (Zambia) or Hyderabad (India) have tried to address multi-sectoral objectives by including a component of social services like health or education.

Incorporation of poverty focused and equity-oriented approaches in planning, even if half-hearted and sectoral, is a sign of change in attitudes. There is increasing interest among both health and housing researchers in links between health status and socio-economic factors as illustrated by some of the studies mentioned above. Support for multi-sectoral approaches is also forthcoming from international agencies. But, as observed by Satterthwaite<sup>85</sup>, "virtually no progress has been made in thinking through the institutional implications of these new approaches, i.e., how to ensure that government at the national, city, district/municipal level has the power, personnel, knowledge and resources to tackle low-income groups, housing and health problems".

Three unmistakable conclusions emerge from the above discussion on urban-rural and intra-urban comparisons. First, health problems of

<sup>81</sup>K. Shah "People's Participation in Housing Action: Meaning, Scope and Strategy", Chapter 12 in G. Payne (ed.), *Low-income Housing in the Developing World*, *op. cit.*, 1984.

<sup>82</sup>D.G. Williams, "The Role of International Agencies: the World Bank", Chapter 10 in G. Payne (ed.), *Low-income Housing in the Developing World*, *op. cit.*, 1984.

<sup>83</sup>J.E. Hardoy and D. Satterthwaite, *Shelter, Need and Response*, Chichester, UK, John Wiley, 1981.

<sup>84</sup>G.K. Payne, *op. cit.*, 1984.

<sup>85</sup>D. Satterthwaite, *op. cit.*, 1988.

urban poor basically emanate from the situation of poverty and bear a fair resemblance to those of their rural counterparts, although some of the urban problems may even be more severe than the rural or unique. Second, the existing health services are not reaching the urban poor and even if they were to reach, the emphasis on curative services means that the underlying causes of ill-health are unlikely to be tackled. The PHC concepts are as relevant in the urban setting as in the rural. Third, the provision of affordable, safe housing for the poor, together with environmental improvements in the existing low-income settlements is a critical determinant of health in the Third World cities and the urban PHC programmes, to be effective, must take on board the issue of housing for the poor.

#### EMERGING TRENDS IN URBAN PRIMARY HEALTH CARE

Although relatively few and recent, community health projects in urban areas are becoming increasingly common in developing countries and as in the case of rural PHC, the pioneering work in urban PHC is being done mostly by NGOs.<sup>86</sup> In 1982, UNICEF reported that its UBS programme had reached 43 developing countries. Its contents vary a great deal between cities but invariably include some preventive health interventions and government agencies are usually involved. Urban PHC projects exhibit a wide diversity in terms of contents, scope, methodology and applications of PHC principles to urban areas. They also reflect the current development priorities of national governments.

Out of the country examples of rural PHC categorized by Newell as representing profound national change. Chinese three-tier health system with strong preventive emphasis and operating at brigade, commune and provincial levels in rural areas covers urban areas as well. The corresponding levels are street and lane health stations and district or other specialized hospitals, although the system of financing is different for the urban areas.<sup>87</sup> "Recent trends towards modernization and professionalization in health care, however, may carry China away from the very principle of full community involvement, which has made China's health system a model for other developing countries".<sup>88</sup> The Cuban pattern of universal coverage of health services, which relied heavily on trained doctors, extensively covers the entire country, including the

<sup>86</sup>T. Harpham, T. Lusty and P. Vaughan, *op. cit.*, 1988.

<sup>87</sup>D.T. Jamison, "China's Health Care System: Policies, Organization, Inputs and Finance" Chapter 2 in S.B. Halstead, J.A. Walsh and K.S. Warren (eds.), *Good Health at Low Cost*, New York, Rockefeller Foundation, 1985.

<sup>88</sup>D. Morley, J. Rohde and G. Williams, *op. cit.*, 1983.

urban areas.<sup>89</sup> Tanzania, where equitable development and health promotion have long enjoyed high priority in the macro policies, PHC movement appears to have suffered from lack or continued political commitment and the urban curative services still capture bulk of the resources, 82 per cent in 1970-71 and 60 per cent in 1980-81.<sup>90</sup>

Mozambique could perhaps be cited as an example of a country to have developed a country-wide PHC network fully integrated with national development process. After independence in 1975, the revolutionary government took some bold steps such as nationalization of health and pharmaceutical industry, establishing a basic health infrastructure and evolving essential drug policy. From 1982, however, the system has come under heavy pressure exerted by the enormous problems of continuing civil war and external debt crisis. Still, the health sector accounts for over ten per cent of national budget.<sup>91</sup> The capital city of Maputo, is served by 18 PHC centres and four hospitals. The immunization coverage of children less than one year old, has increased from 33 per cent in 1982 to 90 per cent in 1986.<sup>92</sup> Some other countries to have made some headway in evolving a viable national PHC strategy are Democratic Yemen,<sup>93</sup> Ghana<sup>94</sup> and Costa Rica.<sup>95</sup>

The other pattern of rural PHC identified by Newell—extension on a national scale—appears to be even slower in emerging in urban PHC. Most of the governments appear to have been either unwilling or unable to scale up successful pilot project of urban PHC into national programmes or at least extend the existing pattern of rural PHC to the urban areas. There are some examples of scaling up to city level such as UBS of Colombo which has been linked up with the national housing

<sup>89</sup>D. Werner, "Health Care in Cuba: a Model Service or Means of Social Control or Both?", Chapter 2 in Morley et. al., (ed.), *Practising Health for All, op. cit.*, 1983.

<sup>90</sup>A. Klouda "Prevention is More Costly than Cure: Health Problems of Tanzania 1971-81", Chapter 4 in Morley et. al. (ed.), *Practising Health for All, op. cit.*, 1983; World Bank, *op. cit.* 1987.

<sup>91</sup>G. Walt and J. Clift, "The Dynamics of Health Policies in Mozambique 1975-85", *Health Policy and Planning*, 1 (2), 1986, pp. 148-57.

<sup>92</sup>O. Monteiro, "Immunization for all in Maputo", *Appropriate Technology for Health Newsletter*, No. 19, Summer, Geneva, WHO, 1987.

<sup>93</sup>M. Segall and G. Williams, "Primary Health Care in Democratic Yemen: Evolution of Policy and Political Commitment", Chapter 18 in Morley et. al. (ed.), *Practising Health for All, op. cit.* 1983.

<sup>94</sup>R.H. Morrow, "A Primary Health Care Strategy for Ghana", Chapter 17 in Morley et. al., (ed.), *op. cit.*

<sup>95</sup>L. Mata and L. Rosero, *Health and Social Development in Costa Rica*, Washington DC, Pan American Health Organization, 1986.

programme;<sup>96</sup> Dana Sehat programme of Solo;<sup>97</sup> and Kampung Improvement Programme in Jakarta and Surabaya in Indonesia;<sup>98</sup> community development programme of Hyderabad<sup>99</sup> and Kebele-41 project in Adis Ababa, Ethiopia.<sup>100</sup> Many other projects have been successful in their own ways but their impact is largely localised. This would suggest absence of comprehensive national health policies in the Third World and that a strong advocacy is needed to gain acceptance for urban PHC.

PHC is essentially a community based approach and derives its strength from involvement of the communities and identified 'at risk' groups in the various activities. The agencies implementing urban PHC projects in various LDCs appear to have chosen a diversity of entry points to establish their credibility and to start the process of community mobilization. Later, most programmes have tended to expand either horizontally, i.e., including more areas or vertically, i.e., including more activities. The choice of entry point appears to have been governed by factors, such as the predetermined objectives or perceptions of the agencies, felt needs of the communities, resource availability, and the extent of institutional support.

Some programmes, like Fundacion Missio's project in Santigao, Chile,<sup>101</sup> or Sang Kancil programme in Kuala Lumpur, Malaysia<sup>102</sup> started with health services. Health education was the starting point for some projects, for example, the programme in Casa Amarala in Recife, Brazil<sup>103</sup> or the community based programme of Undugu society in

<sup>96</sup>K.W. Newell, *op. cit.*, 1975.

<sup>97</sup>M. Johnston, "The Ant and the Elephant: Voluntary Agencies and Government Health Programmes in Indonesia", Chapter 12 in Morley *et. al.* (ed.), *Practising Health for All*, *op. cit.*, 1983.

<sup>98</sup>J. Silas, "The Kampung Improvement Programme of Indonesia: a Comparative Base Study of Jakarta and Surabaya", Chapter 4 in G. Payne, (ed.), *Law Income Housing in the Developing World*, *op. cit.*, 1983.

<sup>99</sup>W.J. Cousins and C. Goyder, *op. cit.*, 1986.

<sup>100</sup>C. Goyder, "Urban Health Care in Adis Ababa: a Case Study", Paper presented at *Working on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1975; J. Teferra, "A Case Study of the Health Component in Kebele-41", Paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>101</sup>K. Mayer, "Community Health Care Programme in Low Income Areas in Santiago, Chile", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>102</sup>K. Yusof, "Sang Kancil: Care for Urban Squatters in Malaysia", *World Health Forum*, 3, 1985, pp. 278-81.

<sup>103</sup>C. Carriconde, "Casa Amarala Community Health Project, Recife, Brazil, Paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

Mathare valley in Nairobi, Kenya.<sup>104</sup> Bangkok municipality's project<sup>105</sup> and the Katiwala programme in Philippines<sup>106</sup> make extensive use of trained urban CHWs to carry out educational and promotional activities.

Initial focus of some other programmes is a health related intervention to tackle main causes underlying ill health. The Orangi project in Karachi, Pakistan began by organizing low income groups to undertake a low cost sanitation project.<sup>107</sup> The Human settlements programme of HUZA—a community organization in Lusaka, Zambia—combines self-help, housing with health education and income generating activities.<sup>108</sup> The community health programmes in Cite Simone area of Port-au-Prince, Haiti<sup>109</sup> and Pamplona Alta area of Lima, Peru<sup>110</sup> focus on the problems of malnutrition, particularly among children. Income generation is the main thrust of multi-activity programme of Streehitkarini in Bombay.<sup>111</sup>

In some programmes a more integrated approach is adopted by combining all or some of the following activities: health education, pre-school education, health related interventions, slum upgradation, etc. More importantly, the choice of activities, sequence and relative emphasis are decided after consulting the communities. Successful examples of such an approach are: Kebele-41 project in Adis Ababa, Ethiopia<sup>112</sup>

<sup>104</sup>L.A. Ongari and F. Schroeder, "Community Based Health Care Programme of Undugu Society of Kenya", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>105</sup>P. Sakuntanaga, "Community Health and the Urban Poor: Bangkok, Thailand", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>106</sup>T. de la Oaz, "The Selection, Training, Role and Support System of Katiwala—a Voluntary Health Worker", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1885.

<sup>107</sup>A. Hasan, "The Low-cost Sanitation Programme of the Orangi Pilot Project, Karachi, Pakistan", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>108</sup>H. Jere, "Experiences in Urban Community Mobilization and Involvement in Development Projects in Lusaka", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>109</sup>R. Boulos, "Cite Simone, an Urban Slum in Haiti: the Malnutrition Challenge", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, organised by London School of Hygiene and Tropical Medicine, UNICEF and OXFAM, July 1985.

<sup>110</sup>H. Creed, "Urban Nutrition, a Case Study: the Health and Nutrition Programme Pamplona Atta, Lima, Peru", Paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>111</sup>I. Parikh, "Streehitkarini's Urban Community Health Programme—Part of an Integrated Development Programme", paper presented at *Workshop on Community Health and the Urban Poor*, Oxford, *op. cit.*, 1985.

<sup>112</sup>C. Goyder, *op. cit.*, 1985.

community development project in Hyderabad,<sup>113</sup> UBS programme in Colombo, and PRODIBA project in Buenos Aires.<sup>114</sup>

The above categories of the emerging trends in urban PHC are broad and overlapping. As noted earlier, the choice of strategy depends upon various local factors as well as predisposition of the agencies and therefore it is difficult to assess the comparative merits of different approaches.

The integrated approach looks attractive because of the possibility of making synergistic impact by multi-sectoral action. Urban communities are often heterogeneous and many may not have a commonality of interests other than a common location. An integrated project is more likely to bring together diverse interests in a community.

An integrated project, however, is more likely to develop slowly, being essentially a learning process, both for the planners and the communities, and demands more flexibility in planning and implementation. There is a danger that the requirements of precise budgeting, time-scheduling and result driven monitoring (often results of association of external funding agencies), may inhibit community involvement in vital areas, such as planning and evaluation. Thirdly, as the number and types of activities increase, the task of inter-agency coordination becomes more complex, for some critical infrastructural components such as water, sanitation, housing subsidies, credits and approvals, or hospital referral services must be provided by specialized agencies. The Nadi programme of Kuala Lumpur, which tried to scale up the Sang Kancil project,<sup>115</sup> both vertically and horizontally, involved as many as 23 agencies and departments of the municipal and federal governments. The problems of inter-agency coordination brought the programme almost to a halt.<sup>116</sup>

In some situations, a more practical approach could be 'convergence,' i.e., synchronizing or sequencing sectoral actions rather than integrating all functions in a single agency. Rossi-Espagnet<sup>117</sup> has suggested that infrastructure projects to improve environmental conditions in slums could be used as entry points for PHC initiatives.

#### *An Approach to National Urban Health Policy*

Why is scaling up successful projects to national level or even city level often difficult? Harpham<sup>118</sup> identifies some issues relating to project design such as: inputs of financial and human resources in pilot projects

<sup>113</sup>W.J. Cousins and C. Goyder, *op. cit.*, 1986.

<sup>114</sup>UNICEF, *op. cit.*, 1988.

<sup>115</sup>K. Yusof, *op. cit.*, 1985.

<sup>116</sup>Lim Hong Hai, "Nadi Integrated Social Services Programme, Kuala Lumpur", Chapter 2 in Richards and Thomson (eds.), *Reaching the Urban Poor*, *op. cit.*, 1986.

<sup>117</sup>A. Rossi-Espagnet, *op. cit.*, 1984.

<sup>118</sup>T. Harpham, P. Vaughan and S. Rifkin, *op. cit.*, 1985.

may be too high to be replicable; any single "standard package" may not be sufficiently flexible to be adapted to a wide variety of local situations and contexts; lack of interaction between NGOs and government agencies; and insufficient involvement of communities to ensure coverage, continuity, appropriateness, and cost effectiveness. A joint UNICEF/WHO consultation on urban PHC held at Manila in July 1986, identified the following five critical macro level constraints: masking of true facts about health and social conditions of urban poor in overall city averages of health statistics; lack of understanding and even active opposition of medical establishments; inadequate policy and planning capabilities at the city level; absence of representative organizations of law-income groups; and paucity of resources.<sup>119</sup>

Local/municipal government is perhaps the level most suitable to assess and understand local needs and mobilize local resources, for it is the level with which urban residents interact most intimately. Local governments have the managerial responsibility of delivering various basic services and also the legal responsibility for town planning, enforcing building rules and other public safety measures. This implies that effective management of anti-poverty programmes—whether in health, housing or education—would depend largely on the capabilities of municipal governments. But, as Cochrane<sup>120</sup> has noted, many such governments are "fragmented, confused about their functions and all too often either invisible or largely ceremonial". Building up the institutional capacities of municipal governments and increasing their revenue base would be an essential prerequisite for a national programme of urban PHC.<sup>121</sup>

Other critical policy inputs may concern formulating a comprehensive national housing policy which should include a mechanism for continuous review of building standards and codes, a mechanism for cooption of community organizations and NGOs in the planning process, and a range of 'enabling' measures to encourage self-help housing; reorienting medical education and training of health professionals to facilitate a more participative style of functioning. The aim should be to evolve mutually compatible and reinforcing national policies on urban health and housing.

Improvement of living environments in cities and provision of essential services for all need to be allocated a much higher proportion of resources than given today by most national governments. Certain critical

<sup>119</sup>UNICEF, "Urban Health Management", in *Urban Basic Services*, Occasional Paper No. 6, New Delhi, UNICEF Regional Office, October 1986.

<sup>120</sup>G. Cochrane, "Policies for Strengthening Local Government in Developing Countries", *World Bank Staff Working Paper No. 582*, Washington DC, IBRD, 1983.

<sup>121</sup>IIED, *op. cit.*, 1987.

social sectors like nutrition and child health need to be particularly protected while formulating stabilization programmes and structural adjustment policies in the countries seriously affected by recession and external debt crisis.<sup>122</sup> Diverting resources from existing services may be infeasible or insufficient but priorities in allocation of additional or future resources can be laid down. Within the health sector also, possibilities of reviewing subsidies and tax concessions that go to the more affluent groups and of charging fees for certain services exist.<sup>123</sup>

Many low cost technologies and innovative solutions have already been demonstrated in some of the projects in the areas of water supply, sewerage and garbage disposal. Greater involvement of communities and NGOs would mean not only augmenting resources but improving efficiency and cost effectiveness of existing activities.

Without a firm commitment to equitable socio-economic development, it will be difficult to sustain various initiatives and policy reforms mentioned above. An essential precondition of PHC is "a supportive political climate in which health is viewed as a part of total human development and the right of every individual. Political support for high coverage health services and integration of health with other sectors of development thus provide the best possible starting point for a PHC programme".<sup>124</sup> □

<sup>122</sup>G.A. Cornia, "Adjustment and the Children: An Outline for Discussion of Growth Oriented Adjustment Policies with a Human Face", *UNICEF Paper* (unpublished), 1986.

<sup>123</sup>World Bank, *op. cit.*, 1987.

<sup>124</sup>D. Marley, J. Rohde and G. Williams, *op. cit.*, 1983.

## *Financing Programmes of Urban Poverty Alleviation*

S.C. JAIN

THE RECOMMENDATIONS of National Commission on Urbanisation on Urban Poverty constitute a very significant dimension of its views on overall process of urban development. The urban population below poverty line is estimated to be about 57 million or about 27.7 per cent of the estimated urban population in 1987-88. After considering the characteristics, manifestations and possible causes of urban poverty, the Commission has reviewed existing programmes and policies and concluded that they are inadequate, uncoordinated, narrow in scope and myopic in their implementation. The citizen involvement and participation is still tokenist and non-institutionalised.

The Commission has recommended a programme package to mount a powerful onslaught on urban poverty. It has suggested an outlay of Rs. 10,750 crore to reach nearly 4.4 million families with direct benefits on income and employment front. The existing programmes like sites and services schemes, upgradation of slum environment, low income housing schemes are to be strengthened by additional allocations. However, a number of new programmes have been suggested. Programmes of income and employment expansion include skill upgradation, credit support, micro-enterprise, infrastructure development and market support projects. A new programme of urban wage employment for creation of public assets and producing about 100 million person-days of employment has been suggested. Besides these new programmes, the existing programmes of public distribution, informal education, health and family planning extension, social security, etc., are to have an added dimension on urban poverty.

### NOT A TALL ORDER

The mobilisation of an outlay of Rs. 10,750 crore for urban poverty programmes may appear to be a tall order but is not so in fact. Nearly 60 per cent of the outlay is constituted by reprioritisation of institutional

finance through HUDCO, National Bank of Housing, Nationalised Banks, Micro-enterprise Development Corporation, etc. It is to be in the form of more easy accessibility of finance to urban poor under the existing schemes at a concessional rate of interest. About 20 per cent is to be found from the existing funds of the ministeries by bearing their selective schemes on urban poor, and thus add to their effectiveness in terms of policy goals. The additionality involved is thus about Rs. 2,500 crore, about 80 per cent of which is in the form of provisions for urban wage works programmes. Only Rs. 500 crore is needed for setting up skill development and UCD based urban basic services projects, and support programmes for voluntary agencies. Resources will have to be found for making provision for urban wage works programmes and institutional infrastructure development.

While finding resources of this order is not a difficult task, the maintenance responsibilities and continuation of staff and correlated scheme provisions during post-normalisation phase would require serious thinking. Whether it is State or local body as successor of asset, it must have flow of additional revenues to support the committed liabilities on a continuing basis.

#### INCOME AND EMPLOYMENT EXPANSION

About 20 per cent of the outlay is meant for loans to acquire productive assets, working capital or infrastructure facilities for directly income-earning projects. There is no reason why this part of financing should require subsidy. The interest charges can be low but need not be less than the cost of raising the capital. What would be needed would be priority indications, simplification of procedures for assessment of projects, expeditious disbursement of loan amount and steady follow-up and collection of instalments. Of equal importance is information diffusion and coordination with agencies providing related inputs without which the objectives of credit operations cannot be realised. As compared to the total lending operations of the banks, it is a very small amount. It would have not been difficult to provide most of it out of recycled funds of DIR loans. However, the recovery rate being poor, fresh additions will be necessary especially for institutional loans to set up micro-enterprise infrastructure. Incidentally, this new form of lending would create much less problems for recovery.

There is a skill development component. Ideally, skill development, productive capital acquisition and infrastructure development can be combined into a single operation in some cases for financing purpose. However, skill development may be treated as an independent item. Traditionally, the teaching fee and stipends have been subsidised. It would be politically outrageous if cost recovery principle is applied for poorer sections. There can be a suitable form of loan-cum-subsidy

arrangement. The loan amount can be recovered, when the participant starts earning, in suitable instalments or by facilities provided through on-shop production activity and can be recycled for sustaining expansion of skill-development programme for more youth from low-income households.

The income expansion effect should be reflected in some form of additions to local bodies' revenues if the taxation, service charge or loan recovery system is properly planned. It is likely to be in conspicuous under present circumstances because the poor families are likely to be covered under exemption limit. The service charges for maintaining micro-enterprise infrastructure or environmental upgradation projects can, however, be recovered fully to recycle funds for planning further project development.

#### USE OF CURRENT AND PAST SAVINGS OF INDIVIDUALS, RETRIEVAL OF EXISTING MATERIALS

About 35 per cent of the outlay is likely to be in the form of loan for low cost housing, housing improvement or environmental upgradation and would require a counterpart contribution from local bodies or individuals. If planning was done in such a manner that existing material can be retrieved for use, the family labour is employed for construction, supervision, purchases and transport and material banks are allowed to sell at highly reduced rates useworthy second class material, or, material produced under employment programmes on cost basis, the cost could be reduced by a factor of 0.3 and higher or the counterpart value produced could move up higher by a similar factor. This is a very substantial contribution to affordability of the low cost housing projects in the absence of which large scale defaults are likely to be experienced.

Housing has provided a powerful incentive for mobilising past savings of individuals and strengthening reserves for intensifying future savings. Its appeal in the form of enhancement of social status, security and independence is powerful. The poor families are likely to have very little reserves of past savings except to draw from past social security accumulations of those working in organised sector. However, Hyderabad experience shows that loans from relatives, and friends, can be mobilised extensively to pay for margin money and finance extensions outside the scheme.

It, however, assumes that there would be income expansion to save more and repay instalments. If this prospect is not built up, the asset may be sold away to appropriate margin between subsidised cost price and prevalent market rates. This form of privatisation of public bounties defeats the purpose of public policy regarding upgradation of habitat conditions. Alternatively, the family might reshuffle its consumption

priorities and economise on in essentials. A degree of prudence is assumed here. If neither consumption prudence nor income expansion is linked to housing improvement projects, the result could be large scale default or clandestine asset transfer. It, therefore, reinforces the wisdom of linking participant household plans for income and employment improvement with those of betterment of housing and social service utilisation. Here again, recycling of previous loans would have eased problems of new financing. However, the record is again depressing. The long-term tasks of stable financing are no less institutional and behavioural as they are fiscal and monetary.

#### *Revenue Earmarking*

There is statutory provision in some Acts of State Governments governing local bodies under which they are obligated to set apart a certain percentage (say 10%) of the revenue to improve conditions of economically backward sections. In the absence of clearly identified activities this provision remains only an accounting exercise. It is not difficult to assign some distributive link of the completed work to the area where economically poor people live. The earmarked provision is, therefore, easily accounted for, even though it does not result in any significant improvement of basic services available to economically backward communities.

To improve basic services in poor communities the following steps are necessary :

- (a) Earmarking provisions to support extension of basic services in poor localities;
- (b) Pooling other funds with earmarked funds to prepare a sub-plan kind of package programme;
- (c) Identifying activities which can be recognised for this purpose; and
- (d) Constituting a committee for advancement of economically backward sections to plan such works, and oversee and monitor implementation. This will go a long way to make the earmarked provision more effective.

#### *Cost Recovery and Raising User Charges*

Where the assisted activity generates income and the beneficiary group can be clearly identified, fees might be imposed to recover the *quid pro quo* for the service and plough back the proceeds to maintain the amenities, create new assets and subsidise welfare programmes. Development of micro-market structures would be a good example. Here the cost can be fully recovered. In fact, the instalments can be progressively raised to synchronise with income improvement. The normal license fee and

rental charges and levies on service users can also be used to augment revenues.

#### *Revenue Sharing Between State and Urban Local Bodies*

There is undoubtedly a case for raising professional tax levels by states and sharing additional proceeds with the local bodies. The local bodies are expected to participate more and more in employment creation through micro-infrastructure development, and facilitating skill development projects. Besides, the civil infrastructure development and its maintenance itself contributes to the attraction of industries and establishment of employment. Just as states may use proceeds of profession tax to meet their share of costs of Jawahar Rojgar Yojana, they need to use part of proceeds of professional tax for financing urban wage works programmes cooperatively. The urban areas contribute bulk of profession tax and recreation tax income. They are morally entitled to get back at least part of it to finance their employment programmes. The centre and states may also allow their properties to be taxed so that metropolitan communities, where these properties concentrated, can have their means augmented to correct lags in expanding distributive links of infrastructure services provided by them. It is hoped that analogous to State Finance Commission for sharing resources between PRI institutions and state, a constitutional guarantee of resource-sharing on equitable basis would be forthcoming in defining financial relations between urban local authorities on the one hand and state and Central Government on the other.

#### *Measures of Economy and Efficiency*

The Centre and states are facing prospects of crushing burden of debt servicing, escalation of salary bills and other items of non-plan expenditure, handicapping their capacity to invest in planned development projects. The defence environment is not threatening as it was before. However, recycling possibilities are being narrowed down by increasing pressures for debt write-offs.

It is a fact that local bodies have to devote bulk of their revenues for meeting the salaries of staff. The protection offered by trade union organisations and judicial pronouncements has made the situation so tight that staff adjustments are nearly impossible except in a marginal sense. State and local bodies as employers face an increasing threat of revenue pre-emption unless very careful steps are taken for ensuring management flexibility in the light of changing situations.

One option is to refrain from new recruitment where posts are created to discharge new functional responsibilities which are received in the wake of development process. It implies that the staff specialising in obsolescent functions can be reoriented and retrained and also helped

to acquire new attitudes and specialised competence within a short time. For example, an octroi clerk, rendered surplus on account of abolition of octroi will have to be absorbed by posting him in some other department, say, as community organiser or basic service worker. Short training course can help but cannot go very far in changing the attitudinal, cognitive and skill structures. Economy has its 'efficiency' costs here which in the long-run may turn but to be a false economy if the class-oriented attitudes and corrupt habits of administrative behaviour are transferred to the new tasks also.

Modernisation is, of course, an over due measure. It will absorb developmental resources in the short-run. In the long-run, however, it may release the resources by improving productivity. Modernisation, however, should not be equated with computerisation. The scientisation of development agent is the essence of the process. Modernisation will require human resources development on large scale. Priority to sophisticated machines is a misplaced modernisation in the absence of this vital input.

#### *More Involvement of Non-Government Agencies*

The time has come when the principles for structuring local government services will have to be rethought. To tie with the apron string of state services and through them to national services is to court sure disaster in achieving goals of viability for the local authorities. There should be a limit within which local authority should manage its service costs in relation to its revenue income. A number of services can be obtained on contract or consultancy basis. The urban wage works need to be judiciously used to create assets which can accelerate economic activities or raise base values of real estate properties for improving yield of local taxes. A number of public amenity works—drinking water supply for example—may have to be financed out of loans from corporate bodies for infra structure development. However, a good deal of labour component can be financed out of employment oriented urban wage works provision which will be financed by centre, states and local bodies together.

User charges will have to be levied to recover cost for services and raised in suitable cases to cope with increased costs. The poorer sections have low capacity to pay. A certain minimum level of service consumption may have to be exempted from user charges. Low levels of use may be charged concessionally. However, these may have to be made up by charging the better endowed groups a little higher to pay for costs and also to earn money for further development. The principle of cost-charging is thus more complex than determining the cost of the production of the marginal unit of the service. Unless urban works under

urban wage employment programmes are well maintained, much of the expenditure will be a waste and a case of missed opportunity.

#### *Improving Level of General Revenues*

There is undoubtedly scope for raising the level of general revenues, and devoting sizeable part of it to improve condition in poor neighbourhoods. The NCU has made a number of suggestions to remove institutional barriers to urban development. Incidentally, the implementation of these recommendations can significantly raise the level of revenues of local bodies. The defreezing of real estate properties from rent control act might nearly double up the property value base of taxation of local bodies. The vacant land tax has sizeable potential. This would not only accelerate development of real estate properties and increase local revenues but would also provide wherewithal for the development of sites and services schemes.

Voluntary agencies can be entrusted with a number of social welfare, educational and health responsibilities with a view to ensure flexibility in management with necessary aid and assistance from local authority. A developing economy needs considerable flexibility in adjusting inputs on points of space, time and their technical and material combinations. A formalised service structure on a very limited front could work well when activities recur in a regular sequence in a very much similar form. The nature of the new development functions is different. The same principles for their structurisation are inappropriate.

Much of the resource lock-up can be released or saved from pre-emption if there is a steady move for social capacitation and unloading the government from such functions as can be dealt with more effectively through cooperative relationship between official and non-official agencies within a framework of norms which are non-exploitative but not over-standardised.

#### *Subsidies: Prevention of Leakages*

As compared to the assumption of full scale responsibility for social security, the administration of subsidies selectively to infuse eventual self-reliance is certainly a preferable strategy. Financing of skill development programmes or establishing suprastructure for setting up a new development activity can be subsidised out of general revenues if the future income streams can be reasonably brought within tax-net. Initial subsidies in the form of interest free moratorium period are also reasonable till the scale of economic activity peaks up to bring down production costs.

There appears to be no justification for basing subsidies on caste criteria in preference to secular criteria of income, nature of economic activity, etc. Similarly, there is no reason why local committees of parti-

cipating groups should not be formed and informed with details of schemes to check corrupt practices resulting from collusion of aid delivery agents on the official side. The directly subsidised amount will be hardly two per cent of the total outlay proposed under poverty alleviation programmes. The concessional loan operations, however, are substantial. It is here, that there is need for maximum vigilance by local committees.

#### CONCLUDING REMARKS

There is hardly any doubt that the bulk of urban anti-poverty programmes can be financed with a more pronounced tilt in institutional finance in favour of urban poverty goals. The urban wage works can be linked with Jawahar Rojgar Yojana by augmenting it and earmarking about one-fourth of its outlay in favour of wage work employment for urban poor. In fact, more than half of its would go towards the development of basic amenities and link functions in small and medium towns, where rural-urban interfaces are strong.

There is a case for tax sharing between state and urban local bodies especially with regard to profession tax, vacant land tax. Local taxation of state and Central Government properties, relaxation of rent control laws, introduction of revaluation scheme, development of infrastructure for micro-enterprises, promotion of skill development and local employment market information service might also augment resources to support urban poverty alleviation programmes.

The approach for resourcing urban anti-poverty programmes should comprehend institutional implications for stabilising the gains and recognise social capacititations as alternative to formalistic governmental management which has severe constraints in terms of flexible handling of widely fluctuating resource situations, frequent shift of activity loads on points of space and time and requirements of fresh combinations of technical and physical components of projects. □

## *Sanguine Plans and Stark Realities: Limits to Planned Urban Habitat Change (The Case of Bangalore)<sup>1</sup>*

N. JAYARAM

THOUGH THE problem of elusive urbanization is a world-wide phenomenon it is starkly glaring in the Third World countries. This is mainly due to the fact that the pace of urbanization in these countries has far outstripped their level of economic development which has invariably been very low and uneven. The increasing pressure on land, the decreasing real agricultural income, and the widening gap in the standards of life between the urban and rural areas have in fact made rapid urbanization an ineluctable phenomenon in the Third World countries.

The squeezing in of more and more of the ever increasing population in the already congested areas, the emergence of clusters of high rise concrete structures, the indiscriminate devastation of the greenery, the haphazard and disorderly growth of the urban sprawl, and the general deterioration of basic amenities, have transformed most of the Third World cities into veritable cesspools of congestion and pollution, and the very anti-thesis of centres of civilization. No wonder then that "the urban question" has agitated the minds of scholars, policy makers and politicians alike. A variety of innumerable plans and programmes have been evolved to arrest the further deterioration of the urban habitat and to bring about positive changes in it. Can they by themselves prevent the impending urban catastrophe?

In his incisive analysis of the comparative urbanization strategies, Berry has observed that:

what characterises most urban planning efforts in the Third World is

<sup>1</sup>This is a revised version of the paper presented at the Symposium on "Habitat and Environment", which was held as part of the XII International Congress of Anthropological and Ethnological Sciences, Zagreb (Yugoslavia), July 2-31, 1988. The author wishes to express his grateful thanks to Mr Keerthi Shekar for making available to him some useful material on which this paper is partially based.

the absence of will to plan effectively, and more often than not, political smokescreening. Most urbanisation policy is unconscious, partial, unco-ordinated and negative. It is unconscious in the sense that those who effect it are largely unaware of its proportions and features. It is partial in that few of the points at which governments might act to manage urbanization and affect its course and direction are in fact utilised. It is un-co-ordinated in that national planning tends to be economic and urban planning tends to be physical, and the disjunction often produces competing policies. It is negative in that the ideological perspective of the planners leads them to try to divert, retard or stop urban growth, and in particular to inhibit the expansion of metropolises and primate cities.<sup>2</sup>

Based on a study of publications and secondary data on Bangalore, India's fastest growing metropolis, this article elucidates the "unconscious, partial, unco-ordinated and negative" nature of urbanization policy as revealed by this city's experience. It examines the socio-economic and political constraints on planned change of an urban habitat, and argues that in the absence of a thorough-going socio-economic reorganization of the entire society, planning could at best be a perpetual exercise in crisis management and at worst the chasing of a mirage.

#### BANGALORE: A PROFILE

Bangalore, the capital of Karnataka State, is one of the 12 "million plus" cities in the country. The 1981 Census ranked it fifth in population and first in population growth rate. It is situated on the 12° 58' N latitude and 77° 33' E longitude at an elevation of 900 metres MSL in the heart of a fertile agricultural hinterland. It is one of India's foremost cosmopolitan, industrial, scientific, technological, commercial, administrative, educational and cultural centres, and it also occupies a strategic position on the map of India. Its many enviable parks and gardens, and its salubrious climate have earned for it the epithet "the garden city".

The city of Bangalore has a recorded history of over 450 years.<sup>3</sup> It was founded by Magadi Kempe Gowda I in 1535. After passing through the hands of several chieftains, it finally came under the administration of the then Princely State of Mysore. In the meantime the British had established a military cantonment in 1809 in the eastern

<sup>2</sup>Brian J.L. Berry, *Comparative Urbanization: Divergent Paths in the Twentieth Century*, London, Macmillan, 1981, p. 105.

<sup>3</sup>M. Fazlul Hasan, *Bangalore Through the Centuries*, Bangalore, Historical Publications, 1970.

region of the city and given it the status of an administrative centre, called the Civil and Military Station, in 1831. The city proper and the cantonment area, which had existed separately for nearly a century, were merged in 1949 to form a single urban centre and the city municipality was upgraded into a city corporation.

Bangalore has witnessed an expansion outwards from the pre-urban nucleus in an irregular radial pattern, more so towards the south and south-east. Its size has increased from 28.85 sq km in 1901 to 174.71 sq km (area of Bangalore Urban Agglomeration) in 1971. The unabated spectacular urban sprawl and the fluid spread of the city has been due to the lack of any natural barriers as also the development of unique low density single storey residential units.

Many a study in search of a solution to the problems of Bangalore has concluded that the stunning growth of its population has thrown out of gear many plans and projects. The population of Bangalore has increased from about 15,000 in 1900 to an astounding 29,13,537 in 1981. The growth rate of population at over 7.6 per cent per annum (the decadal growth rate for 1971-81 being 76.2 per cent) is the highest in India and one of the highest in the world. According to crude projections, the population is expected to cross the 7 million mark in 2001.

What is more significant is the rapid growth in the primacy of Bangalore in the State of Karnataka. Karnataka is the fourth most urbanized State in India, with an urban population of about 28.9 per cent. The Bangalore Metropolitan Area, "which accounts for less than 0.5 per cent of the total extent of the State, holds more than 7.8 per cent of the total population. It also accounts for nearly 27.2 per cent of the urban population of Karnataka".<sup>4</sup> With Hubli-Dharwad (with a population of 0.52 million) coming a poor second, the unique primacy of Bangalore is well established.

The primacy of Bangalore, however, is not to be reckoned in terms of population alone. In 1985-86, the Bangalore Urban Agglomeration claimed 50 per cent of the medium and large scale industrial units and 35 per cent of the registered small scale industrial units in Karnataka. Its share is 60 per cent of the employment in medium and large scale industries and 40 per cent in small scale units. These industrial establishments owned over 54 per cent of the entire capital invested in the industrial sector in the State.

Moreover, in 1985-86, 40 per cent of all the industrial sheds built by the Karnataka State Small Industries Development Corporation were in Bangalore, and this city had the lion's share of 40.8 per cent of all

<sup>4</sup>Government of Karnataka, *Urbanisation Policy for Karnataka* (Interim Report by the Committee on Urbanisation in Karnataka, Sub-Group of Economic and Planning Council) (called the Correa Committee Report), Bangalore, 1987, p. 11.

disbursements by the Karnataka State Financial Corporation. Bangalore city alone contributes 56 per cent of the sales tax collected in Karnataka. The city has 6.2 per cent of all roads and 41.2 per cent of all registered vehicles in the State, and it accounts for 32.1 per cent of the average monthly power consumption.

The rapid urbanization of Bangalore and its growth as the principal primate city in the State are not a real problem *per se*. Rather, what is problematic and disquieting is the distorted nature of these phenomena and the socio-economic implications of the resulting imbalances. No doubt, as compared to Calcutta and Bombay, Bangalore has not reached the point of crisis yet, and the situation is not totally out of control either. But, considering the trends which have been noticed during the last decade and a half, the prospects do not allow for complacency, and much less for optimism.

Before we trace the track of the impending urban crisis of Bangalore it is necessary to highlight here the dysfunctional and deleterious consequences of its growth as a principal primate city. This city has shown a pronounced tendency to swallow up investment, suck up trained manpower, and dominate over and distort the cultural pattern of the entire State. It has retarded the growth of the secondary and tertiary settlements and aggravated regional inequalities. While sounding its own death knell, it has entrapped other areas too.

#### DISTORTED INDUSTRIALIZATION AND URBAN CRISIS

Generally the present parlous urban predicament of Bangalore is attributed to the unbridled growth of industries in and around the city. It was noted earlier that there is a heavy concentration of industries in Bangalore. The establishment of such major industries as the Hindustan Aeronautics Limited, Indian Telephone Industries, Hindustan Machine Tools, Bharat Electronics Limited, Bharat Heavy Electricals Limited, etc., has created an environment conducive to the development of ancillary industries. The salubrious climate of the city, its central location in the southern peninsula and easy accessibility by air, rail and road, and the infrastructural facilities that it is endowed with have drawn private enterprise to it like a magnet. The industrialization of Bangalore has generated a lot of allied economic activities. Thus, in 1982 Bangalore had 35,266 registered shops, 4,968 commercial establishments including banks, 834 licensed hotels, restaurants and eating houses, and 91 cinema theatres.<sup>5</sup>

One deplorable but inevitable consequence of the industrialization of

<sup>5</sup>Bangalore Development Authority, *The Comprehensive Plan Report*, Bangalore, n.d., p. 10.

Bangalore has been the unprecedented and unregulated migration into the city, where the bulk of the immigrants find at best only marginal employment. In fact, it is noticed that the growth in the number of industries has not necessarily meant a proportionate growth in the employment opportunities offered by them: The 283 units employing 45,878 industrial workers in 1951 had soared to 3,709 units and 106,008 workers in 1971, which means that the number of workers per industrial unit has steeply decreased from 162.11 to 28.59. According to the 1981 Census, the workforce of Bangalore is only 8,69,000 or 29.83 per cent of its population. The industrialization in the city has thus been only capital intensive, distorting the very nature of urbanization.

Presuming that industrialization is by itself responsible for pushing the city in the direction of an urban crisis, the State Government has imposed a ban on the starting of any major industry in Bangalore. However, the small scale industry has grown considerably because of the subsidies, incentives and development loans provided by the State Government, and the institutional finance advanced by the Karnataka State Financial Corporation. In addition, in 1986, the 510 branches of the scheduled commercial banks advanced Rs. 17,833.7 million to the small scale sector.

In brief, urbanization in Bangalore during the last decade and a half has mainly been characterized by the emergence of the small scale capitalist *entrepreneur* and the privatization of the productive resources channelized by the State Government and the banking industry controlled by the Central Government. It is this which is at the root of the marketization of urban resources, the sky-rocketting of the cost of living (one of the highest in the country), and the canker of corruption in urban administration. This is also a built-in constraint on planned habitat change.

The inadequate match between industrialization and urbanization in Bangalore and the incessant growth of its population have led to the worsening of the urban infrastructural facilities and the deterioration of the urban habitat. Perhaps the most graphic manifestation of this is witnessed in the area of *shelter*. In 1981, there were 4,71,573 dwelling units in the city, and the housing shortage which was put at 51,000 units then is expected to cross 1,07,000 units by 2001.

A survey of Bangalore during 1973-76 revealed that of the 1,745 sample households, 62.75 per cent were living in rented houses (according to 1971 Census this percentage was as high as 74.2). As many as 43 per cent of the houses were one-room dwellings, and by and large the houses and their living amenities were sub-standard. If owning a house in Bangalore is becoming more and more a fond hope for most people, the hunt for a rented house is an agonizing experience. The survey observed that "the structure of residential housing is such that it

reinforces the sharp disparities between lower and higher income classes".<sup>6</sup>

The excessively individualistic space-oriented low-rise pattern of housing in Bangalore is revealed by the large number of single-storied dwelling units which are spread over considerable land. The city survey revealed that 88 per cent of the sample household dwellings were on the ground floor, and 47 per cent even had a compound wall and the rest out-houses.<sup>7</sup> This necessitates the provision of lengthy communication facilities, utilities and public services, thereby increasing the cost of development and maintenance. Not only is fertile agricultural land being liberally occupied for building purposes, but also "the economic utilization of the land cannot be achieved in areas where high land values prevail".<sup>8</sup>

The first scheme of protected water supply to Bangalore was undertaken in 1894, and since then several schemes have been planned and executed in this regard. But water supply still remains an intractable problem. The Correa Committee<sup>9</sup> recorded that for a population of nearly three million, the city gets a scant supply of 64 million gallons per day, the per capita consumption being a meagre 20 gallons per day (GPD), including the consumption by industries, commerce, and the parks and gardens. The domestic consumption is less than 10 GPD!

In the beginning of urban expansion Bangalore was endowed with surface water bodies and they were effectively collecting the precipitated water. All the tanks and lakes were inter-linked by natural topographical features. But with the continuous use of the tank beds for various building purposes, many of them have now vanished. This combined with the receding water table has rendered even borewells only a weak relief. The alternative has inevitably been to pump up water with high heads ranging from 120 meters to 510 meters (because of the situation of the city at a high altitude) and from long distances ranging from 15 km to 74 km, even to meet the present less than minimum level of water requirement. It is obviously a losing race for water supply *vis-a-vis* urbanization.

By and large, the city is provided with a network of underground sanitary sewers. The sewerage of the city is ultimately drained into the Vrishabhavathy and Challaghatta valleys. With the vanishing of the tanks which once acted as the receptacles of the storm water, the storm

<sup>6</sup>V.L.S. Prakasa Rao and V.K. Tewari, *The Structure of an Indian Metropolis: A Study of Bangalore*, New Delhi, Allied Publishers, 1979, pp. 198-211.

<sup>7</sup>Ibid., p. 198.

<sup>8</sup>K.S. Rame Gowda, "Bangalore: Planning in Practice", in Allen G. Noble and Ashok K. Dutt (eds.), *Indian Urbanization and Planning: Vehicles of Modernization*, New Delhi, Tata McGraw-Hill, 1977, p. 309.

<sup>9</sup>Government of Karnataka, *Urbanisation Policy for Karnataka*, op. cit., p. 23.

water is also now drained into these valleys. On the one hand, this imposes a heavy strain on the existing drainage and during the rainy season low lying areas get inundated and sewer overflows out of the manholes resulting in unhygienic conditions. On the other, the treatment of sewer water being extremely limited and ineffective, and the valleys being uncovered, they have become a fertile breeding ground for mosquitoes. The high incidence of water-borne and mosquito-conveyed diseases in the city is attributable to this.

Similarly, with the growth of an exogenous throw-away culture, Bangalore now yields solid wastes of about 0.25 kg per capita per day. The Bangalore Metropolitan Area has to cope with nearly 1,000 tonnes of solid wastes per day, which is about 60 per cent of all wastes generated by the city. The cost of removal is as high as Rs. 200 per tonne.<sup>10</sup> With the waste disposal system being overstrained and by and large outmoded, and the improvement of the system being beyond the means of the Corporation and the Bangalore Development Authority, it will not be surprising if the garden city is slowly transformed into a "garbage city". That a small section of the poor population ekes out a regular assured living by picking garbage and rags is a testimony to the ironic twist that urban 'development' has landed itself in.

Bangalore "suffers from inadequate planning of road network which would effectively answer the requirement of a mass transport system".<sup>11</sup> In the core of the city, the roads designed several decades back are carrying the present day unprecedented traffic. Many arterial roads have been widened in the past few years by narrowing down broad side walks. But this has hardly solved the problem, and some of the roads cannot even be so broadened. There is only one pedestrian subway and the diversion of traffic is inefficient.

The average annual growth in vehicle population in Bangalore during 1971-81 was 22.6 per cent, which was more than three times the rate of growth of the population. As a consequence, the average travel speed in and around the two central business districts has come down to about 11-15 km per hour, and the number of road accidents has increased by a shocking 665.47 per cent between 1966 and 1981.<sup>12</sup>

An interesting feature of the growth in the number of vehicles in Bangalore is the rising proportion of two wheelers—from 57.36 per cent

<sup>10</sup>Government of Karnataka, *Urbanisation Policy for Karnataka*, p. 22.

<sup>11</sup>Institute of Marketing Management (Bangalore Chapter), *Origin and Destination Survey of Passenger Traffic in Bangalore*, (A Study for the Karnataka State Road Transport Corporation), Bangalore, 1982, p. 6.

<sup>12</sup>Government of Karnataka, *Report of the Study Group Constituted by the Government of Karnataka for Suggesting Improvements in the Transport System in Bangalore Metropolitan Area* (called the Lynn Committee Report), Bangalore, n.d., pp. 54 and 62.

in 1976-77 to 70.52 per cent in 1985-86—among all vehicles. This apart from highlighting the peculiar dimension of the traffic in the city, also proves the inadequacy of the public transport system. This is notwithstanding the expansion of the city bus fleet from 336 in 1967 to 1,365 in 1987. All the plans for improving the city transport system have remained only on paper till now.

Bangalore has the distinction of being the first city to be electrified in India. But today the city is reeling under an acute shortage of electricity and load-shedding, power cut and voltage fluctuations have become a permanent phenomenon. In 1985-86, as against a total requirement of 1,875 million units, only 1,250 million units were available. The projected power requirement for 2001 is 4,515 million units. In the absence of any serious plan on the anvil for generating this much of power, and power generation from sludge gasses and combustible garbage being still unknown, the power situation appears to be grim.

Nowhere is the unmanaged and the presently unmanageable growth and deterioration of Bangalore as perspicuous as in the phenomenal increase in the number of *slums* and squatter settlements. In 1983 it was estimated that there were 400 slums in the Bangalore Urban Agglomeration area with a population of 0.2 million. There are now 290 slums in the city proper, of which 162 are under the jurisdiction of the Karnataka Slum Clearance Board (constituted in July 1975), 64 under the jurisdiction of the Bangalore City Corporation, and 64 are under the Bangalore Development Authority lands. The fact that a large number of slums have cropped up on the lands coming under the jurisdiction of the Bangalore Development Authority is a proof of the Authority's inability to manage the responsibilities entrusted to it.

According to a city survey, in 1971-72, the population of the slums varied from a low 34 to as high as 8,935, and the average size of the slums was 832. Though the distribution of slums within the city was uneven, the maximum number of them were found in the older peripheries (intermediary zone) in the city. Most of the slums were located in low lying, unhygienic sites like quarry pits, tank beds, railway sidings, cemeteries, and land adjoining slaughter houses and timber yards. With only about 10 per cent of the slums being associated with industries, "the commercial sector appeared to play a greater role in promoting slums than the industrial sector".<sup>13</sup>

The Bangalore City Corporation, the Karnataka Slum Clearance Board and other organizations have no doubt taken up the clearance and improvement of slums. However, the limited availability and high costs of alternative sites near the existing places of work of the slum dwellers, and their inability to pay even the subsidized rent are the

<sup>13</sup>Rao and Tewari, *op. cit.*, pp. 351-58.

important hurdles.<sup>14</sup> But even more discouraging is the general reluctance of the slum dwellers to move from the areas selected for clearance. This is due to the strong feeling of community solidarity which shields them from external intervention. This fact has long been recognized by the politicians who look upon the slums as "vote banks."

The ameliorative programmes concerning the slums have been obsessed with their strikingly abject physical conditions. Since they have been reluctant to effectively grapple with the socio-economic factors which generate slums, their approach at best seems to be to just keep things going somehow. The special study of 11 selected slums carried out as a part of the city survey revealed that the slum is essentially a low-income dominant, low-occupational status dominant and weaker section dominant area, which has a high migrant-resident ratio.<sup>15</sup> As long as the poverty generating process of development persists, we have to accept the slum as a stark but inescapable reality which can hardly be wished away by any sanguine plan.

#### FOUR DECADES OF PLANNING

Magadi Kempe Gowda I, the founder of Bangalore, had erected four watch-towers at roughly each of the cardinal points of the city to mark the limits up to which alone he desired it to extend in course of time. Legend has it that he has prophesied that the decay of the city would set in once it grows beyond the circumference formed by the four watch-towers. The city has far outgrown the limits projected by its founder, and his prophecy now seems to have come true.

No systematic effort was made to look into the irregular development that the city had undergone until the 1940s. The first statutory recognition of the city's urban problems came with the enactment of the City of Bangalore Improvement Act 1945. Under this Act was constituted in 1947 the City Improvement Trust Board (CITB) as a planning and executing agency for improving the congested and insanitary areas and for providing housing facilities. In order to guide the implementation of the programme of the CITB, it was thought that a development plan was necessary. Hence, the Bangalore Development Committee was constituted in 1952 to work out a general plan for the future growth and development of the city. While some of this Committee's guidelines were followed by the CITB in laying out its new extensions, the plan report as such fell through.

In 1961 the State Government constituted the Bangalore Metropolitan Planning Board (BMPB) and necessary assistance was extended to it by

<sup>14</sup>Gowda, *op. cit.*, p. 305.

<sup>15</sup>Rao and Tewari, *op. cit.*, p. 353.

the State Department of Town Planning. This Board prepared an "Outline Development Plan" and submitted it to the Government in February 1963. This plan which was finally approved by the Government in 1972 (after nearly 10 years), has been described as "the first step in preparing a master plan".<sup>16</sup>

In order to provide legal teeth to the city planning and development efforts, the Karnataka Town and Country Planning Act 1961 was enacted, but it came into force only in 1965. Under this Act, the State Government defined in 1966 the Bangalore Local Planning Area, which was the same as the metropolitan area envisaged by the BMPB earlier. In accordance with this Act a Planning Authority was also constituted in August 1967, and it was entrusted with the task of preparing a development plan. It re-submitted the "Outline Development Plan" previously prepared by the BMPB. It was this Plan which was, as noted earlier, approved by the Government in 1972.

After three decades of rather unsatisfactory experience of perfunctory planned development of the city, it was realized that it was necessary to combine the planning functions of the Planning Authority and the development functions of the CITB under one authority. Thus was born in January 1976 the Bangalore Development Authority (BDA). The "Outline Development Plan" which had been earlier approved by the Government was now referred to the BDA. Based on the 1981 Census data and taking into consideration the several observations made by the Government, the BDA prepared the "Comprehensive Development Plan" for Bangalore.<sup>17</sup>

This Plan is perhaps the most comprehensive and sanguine that has ever been formulated. However, in view of the unbridled population growth, the inexorable operation of market generated forces, and the necessarily poverty-generating and inequitarian nature of the development process, it is unlikely that this Plan will fare any better than its less ambitious predecessors.

The history of Bangalore over the last four decades makes it clear that the city has suffered not for want of planning but because of its excess. In fact, if we take into consideration the plans for the city prepared by various government departments to the extent that they are concerned in addition to the city planning proper, Bangalore would indeed stand out as a "much planned" city. But, with whatever seriousness the bureaucrat-academician planner may take up his job, he has to operate under certain assumptions,<sup>18</sup> and he has no control over the socio-economic

<sup>16</sup>Gowda, *op. cit.*, p. 309.

<sup>17</sup>Bangalore Development Authority, *op. cit.*

<sup>18</sup>See Melvin M. Webber, "Planning in an Environment of Change", in J.B. Cullingworth (ed.), *Problems of Urban Society*, (Vol. III—Planning for Change), London, George Allen and Unwin, 1973, p. 40.

forces and the political climate.

Our brief survey has revealed that there is an enormous delay in the entire exercise of planning and the formulation of policy itself, which would set at nought any possible gain that may accrue even from truncated plans. Also, a study of the specimen time flow charts for particular projects and programmes shows that there is a lamentable delay in implementation. The planners may be sincere and enthusiastic, the academicians may voice their concern, but the politicians' indifference and the socio-economic forces behind the inequitable development may account for the poor progress. In brief, urban planning peters out to be a political-administrative ritual. Let us now examine the vicissitudes of this piquant situation.

#### URBAN LAND: CONTROL, ALLOCATION AND UTILIZATION

"The crucial element in shaping the internal structure of cities is the control of land and the mechanism of land allocation".<sup>19</sup> As far as Bangalore is concerned, no articulated interest was shown in the matter of urban land and space utilization until the mid-sixties. The rapid urbanization and the unregulated growth of the city, as also the swift rise in the value of urban land as a commodity gradually gave rise to concern for the patterns of settlement. However, in the absence of advanced techniques such as aerial photography and satellite imagery, continuous monitoring of land use pattern and development of built up area as per planning was extremely difficult.

In a set-up where economic activities and urbanization are not socially regulated or regulated ineffectively, and where land is a marketable commodity, urban land constitutes a precious endowment and an exhaustible resource. The most basic and also the most expensive component of planned urban habitat change in such a set up is obviously the cost of land. In the absence of adequate finances for acquiring or purchasing land for public use and allotment, planned habitat change is severely constricted.

It is estimated that in addition to providing developed land for 'other' urban uses, the BDA is required to provide over 15,000 dwelling sites per year.<sup>20</sup> (Incidentally, as for its track record, between 1976 and 1986, the BDA has distributed only about 42,000 sites). This would mean that even to satisfy the minimum needs in this regard, the BDA would be required to acquire nearly 10,000 hectares of land. At the rate of Rs. 0.4 million per hectare, up to 2000 AD, BDA would need a

<sup>19</sup>S.N. Eisenstadt and A. Shachar, *Society, Culture, and Urbanization*, Beverly Hills, Sage Publications, 1987, p. 37.

<sup>20</sup>Government of Karnataka, *Urbanization Policy for Karnataka*, op. cit., p. 14,

sum of Rs. four billion for land acquisition alone. This is indeed a staggering sum !

It must also be noted that the Land Acquisition Act of 1894 stipulates that the land owners should be paid the "market value" for the land acquired from them. As against the prevailing market value of over Rs. 0.4 million per hectare, the BDA was paying at the rate of Rs. 0.18 million per hectare. Because of the recent amendments to the Act, the actual amount paid by the BDA has gone up to about Rs. 0.3 million per hectare. But considering the rise in land values even this is considered as inadequate. This has resulted in "endless litigations, long periods of negotiations, squatting on land and illegal subdivisions".<sup>21</sup>

Acquisition of land by the BDA is also a lengthy and time-consuming process. On an average it has taken three to six years between preliminary notification for acquisition and final awards or taking possession of land. In the meantime the prime land would have changed its colour with the construction of unauthorized buildings. Quite often land owners delay taking awarded compensation, subdivide their land and sell to private people as "revenue sites" and even resort to prolonged litigation. The revenue site holders who put up unauthorized constructions also go to court. Court stay has become a boon to such illegal transactions aimed at preventing or delaying the acquisition of land by the BDA. Political intervention on behalf of the vested interests worsens the situation further.

It must be mentioned here that the BDA Act empowers it to initiate action against unauthorized constructions on the lands acquired by it but not on the lands notified for acquisition. For this the provisions of the Karnataka Town and Country Planning Act, 1961, will have to be invoked. In either case, the authorities have not entirely prevented unauthorized constructions. Lack of a proper enforcement squad, tendentious and obstructive litigation, and objectionably partisan political interference have invariably come in the way.

The areas in which such unauthorized constructions have erupted are called "revenue pockets" and quite a number of such pockets have come up in and around the city. What is appaling, the land owners in these pockets have ultimately succeeded in holding on to 'their' lands and bringing pressure to enjoy the infrastructural facilities available nearby without paying for them. This has deprived the already starved BDA of its legitimate revenue, in terms of both the development costs and maintenance taxes.

The people who are guilty of such unauthorized constructions are encouraged by the fact that no serious punitive action is ever taken against them. Such constructions are in fact legitimized by imposing a

<sup>21</sup>Government of Karnataka, *Urbanization Policy for Karnataka*, op. cit., p. 15.

disproportionately small compounding fee called "development charge". The BDA charges Rs. 27.50 per sq metre for legitimizing such constructions, while the real development costs are worked out to be as high as Rs. 90 per sq metre !

Another point about the urban land is that with the value of land going up steadily, there is lot of scope for speculation in land transactions. People "hoard up" urban land or land in the urban fringe as a speculative investment. Even house sites allotted by the BDA are kept vacant to be sold at many times its original value after some years. Of course, the BDA insists that the sites allotted by it should not be kept vacant for more than a stipulated period of time. But this is observed more in the breach, and many sites have remained vacant and become fertile fields for the wild growth of the noxious parthenium weed.

#### Spatial Aspects : Patterns and Trends

As an important feature of a healthy urban habitat is the proper equation between built up areas and open spaces. In Bangalore, between 1960-61 and 1979-80, open spaces have shrunk by 18.23 per cent in the corporation areas and by 9.31 per cent in the extensions. The findings of a recent study conducted by the Indian Space Research Organisation using maps and the recent high resolution Landsat Thematic Mapper (TM) imagery, reveal disturbing trends :

The increase of built up area between 1945 and 1973 (28 years) is nearly three times as compared to the increase between 1912 and 1945 (33 years). The increase in built up area between 1973 and 1980 (in a span of only 7 years) is twice that of previous 28 years and has been more drastic between 1980 and 1985.<sup>22</sup>

It has been observed that the growth of built up area in the Bangalore city has been mostly at the cost of productive agricultural land and surface water bodies :

The chronological changes observed on maps and satellite imagery show that agricultural lands and plantations/orchards first became barren and then gave way to built up areas. Similarly, scrub areas first became agricultural areas then barren and finally built up areas.<sup>23</sup>

Realising the serious consequences that rapid encroachment on open spaces and water bodies is fraught with for the ecological balance of

<sup>22</sup>G. Behera, et. al., *Growth of Bangalore City Since 1900, Based on Maps and Satellite Imagery*, Bangalore, Indian Space Research Organisation, 1985, p. 5,

<sup>23</sup>Ibid.

urban habitat, the Comprehensive Development Plan has proposed to provide a wider "green belt" covering an area of 1,279 sq km. While this idea is indeed laudable, considering the nature of the vested interests in operation, it is doubtful if the Government can muster sufficient political will to legally enforce this as a check on the further growth of the city, prevent merging of neighbouring settlements and preserve the special character of the city. Civic consciousness of the people being pathetically low or even absent, open spaces reserved for civic amenities like parks and play grounds have already been misappropriated by private parties with the connivance of the governmental machinery and political bosses.

Assault on the urban habitat has come from other quarters also. For instance, the construction industry, which extensively uses granite as building material, has already created a number of open quarries in and around the city. These quarries, which are invariably lowlying, have become a breeding ground for mosquitoes apart from providing convenient sites for the emergence of slums.

#### URBAN MANAGEMENT AND FINANCE

However, well formulated the plans and policies of urban development may be, they cannot achieve the desired success unless they are implemented and monitored through an effective machinery of urban management. Though the Bangalore City Corporation has the status of a local government, it lacks to a great extent the attributes of a 'government'. In the matters of administration and finance, the Corporation is treated as a subordinate department of the State Government. In its existing organizational set up no consistency or continuity of policies and programmes is possible:

The senior executive are deputed by the State Government, generally in a routine manner without regard to the nature of the job and are quickly withdrawn after brief periods of service. Few of them have any specialised knowledge, training or skill in urban management.<sup>24</sup>

But more serious is the problem posed by the fragmented plans being overseen by a multiplicity of organizations. Apart from the Bangalore City Corporation and the Bangalore Development Authority, the city is also under the jurisdiction of a large number of institutions such as the Karnataka Slum Clearance Board, Karnataka Industrial Areas Development Board, Karnataka State Road Transport Corporation, Karnataka Electricity Board, Bangalore Water Supply and Sewerage Board, Karna-

<sup>24</sup>Government of Karnataka, *Urbanization Policy for Karnataka*, op. cit., p. 24.

taka Housing Board, Karnataka State Pollution Control Board, and the recently formed Bangalore Metropolitan Region Authority. The proliferation of autonomous and insular organizations with overlapping functions and jurisdictions and with little cooperation and coordination between them has created a situation in which it is nobody's business to take an overall view of the city and its problems.

Even if an effective managerial set up for the development of Bangalore can be evolved, there is still the almost insurmountable problem of finding the requisite financial resources. The constraints on obtaining finance for the acquisition of land by the BDA has already been alluded to. Even as per the norms suggested by the Taxation Review Committee in 1981, Bangalore city would require Rs. 2,040 million per year, which is beyond the capacity of the Bangalore City Corporation to mobilize. It is also doubtful if the State Government, which is itself facing a financial crisis, and is financially dependent on the Central Government to a large extent, can provide so much finance to one corporation alone. Under the federal structure of the Constitution of India, local government is a state subject and as such central assistance to local authorities will not be forthcoming.

With most of the sources of taxation already being tapped by the Central and State Governments, the tax potential of the City Corporation and other local bodies is extremely weak. The mainstay of the Corporation is the revenue from the tax on property, which is inelastic. The method of valuation of land and building is irrational, and the tax on them has not been periodically revised to meet the needs and responsibilities of the Corporation. The element of arbitrariness involved in such valuation has not only deprived the Corporation of substantial revenue but also encouraged corruption in relevant quarters. Added to this, there has been a strong opposition from the owners to the enhancement of tax on property, which is often supported by the politicians of the ruling party itself. Such revisions have not infrequently resulted in prolonged infructuous litigation.

In this context it may be mentioned that the abolition of octroi has severely hit the local bodies. At the time of its abolition in 1979, the Corporation received about Rs. 110.6 million from the Government in the form of compensatory grants. This was considered advantageous then as the actual revenue from octroi in 1978-79 was Rs. 105.3 million. However, with the passage of time, the compensatory grant has meant a growing deficit as far as the Corporation is concerned. It is estimated that if octroi had continued the revenue from it to the Corporation would have been Rs. 349 million in 1985-86. Instead the compensatory grant given to it by the Government was only around Rs. 178.5 million. Thus, there has been a net loss of revenue to the tune of Rs. 170.5 million to the Bangalore City Corporation alone.

It is important to make the local government bodies self-reliant and self-sufficient to ensure proper management of urban affairs. But this can hardly be realized as long as no concerted effort is made to make the *entrepreneurs* and other beneficiaries of the urban infrastructure to pay for the facilities and services utilized by them. The mode of urban development till now seems to reveal that a small section of the well-to-do strata of the urban society thrives at the cost of the others.

#### CONCLUSION

An attempt has been made here to delineate the socio-economic constraints on planned urban habitat change in a Third World city, where the dynamics of development is conditioned by the operation of market forces with an abysmally ineffective intervention by the governmental machinery. It has to be realized, as Renaud says, that "the spatial distribution of socio-economic activities cannot be dissociated and treated independently from the broader issues of national economic, social and political development".<sup>25</sup> This calls for "a better understanding of the interaction between large-scale political and social process and the changing form of cities".<sup>26</sup>

Examining the "historical realities" of the urban phenomenon, in his insightful work *The Urban Question: A Marxist Approach*, Castells argues that "urban disorder" was not in fact disorder at all; it represented the spatial organization created by the market, and derived from the absence of social control of the industrial activity.<sup>27</sup> The emergence of Bangalore as a primate city and the crisis situation to which it is heading are a vindication of this argument. State planning under such a situation, as Gilbert and Gugler (1984:2) aver, "can reduce such disorder but cannot remove it".<sup>28</sup> This is because "those who wield political power influence planning decisions against the interests of the powerless. Planning does not serve the public interest because there is no such interest".<sup>29</sup>

For a fuller appreciation of the predicament of Bangalore, or for that matter of any rapidly urbanizing centre in India, we have to understand the socio-economic dynamics of the rural society, which still contains the vast majority of the illiterate and indigent sections of the population.

<sup>25</sup>Bertrand Renaud, *National Urbanization Policy in Developing Countries* (A World Bank Research Publication), New Delhi, Oxford University Press for the World Bank, 1981, p. 3.

<sup>26</sup>Eisenstadt and Shachar, *op. cit.*, p. 35.

<sup>27</sup>Manuel Castells, *The Urban Question: A Marxist Approach*, London, Edward Arnold, 1977, pp. 14-15.

<sup>28</sup>Alan Gilbert and Josef Gugler, *Cities, Poverty and Development: Urbanization in the Third World*, Oxford, Oxford University Press, 1984, p. 2.

<sup>29</sup>*Ibid.*

Studies have confirmed that notwithstanding the "green revolution" and increased agricultural production (which in fact sustains the dependent urban population), the rural incomes are very low in real terms and particularly so among the vast majority of the landless labourers. To the extent that rural conditions continue to remain antithetical to the masses, rural-urban migration can hardly be checked. That is, the urban crisis seems to be rooted in the distorted nature of the overall development itself.

Understood thus, though it may sound paradoxical, the path to urban development lies in rural socio-economic transformation. As long as the rural situation remains the same, even if it does not worsen further, any improvement of the urban areas would only result in aggravating their problem by making them more attractive for immigration. Thus, in the absence of a thorough-going egalitarian socio-economic transformation of the entire society, all tall talk of "a national urbanization policy," "comprehensive development plan," etc., would continue to remain sound and fury signifying nothing. □

## *Development Controls for Housing in Delhi*

A.K. JAIN

THE PROCESS of urban planning, land development and housing is closely related with the development controls. The development controls determine the efficiency and intensity of land use and development. The Delhi Master Plan (DMP), enacted in 1962, has been a charter and the format for the development of the capital of the country. The zoning regulations, which include various controls and norms of development and construction for various land uses provide an important link between the Land Use Plan and its implementation. The development controls, as such, regulate the form and content of a city.

By and large, Delhi has been sprawling in a horizontal pattern, as envisaged by the zoning regulations of Delhi Master Plan. With a view to respond to the changing scenario and population pressures, it is pertinent to make a more intensive utilisation of the precious land resource. The Government of India have recently announced revised norms for development, which, if implemented, would change the skyline of Delhi—from its present low rise profile to a vertical form. Various arguments are being advanced in general discussion against the higher Floor Area Ratios, as prescribed by the Government of India. However, a close scrutiny indicates that many of the reasons advanced against the new guidelines lack force and empirical evidence.

The article analyses the issues related with the development controls for group housing. This aspect has assumed further complexity in view of the Government of India guidelines (1988) conveying its decision with respect to development controls where the Floor Area Ratio (FAR) up to 250 has been prescribed for the group housing (Annexure 1).

The guidelines issued by the Government of India have been, by and large, criticised by most of the professionals and development bodies. The main arguments, *prima facie*, advocated against the FAR of 250 are based on premises with respect to congestion, heavy traffic and parking requirements, increase in load on services (specially water supply and power), extra cost of construction due to foundation, lifts, etc., and fire

hazards. However, there have been no detailed and scientific studies considering the dimensions of time and space to support the arguments.

Delhi, a megacity and having the status of the capital of the country, has been growing in a horizontal pattern similar to smaller towns in its hinterland: Ghaziabad, Faridabad and Gurgaon. This pattern of sprawl is not very different from the growth pattern of mofussil towns. The existing development controls, by and large, overlook the factors of housing demand, cost of land, land use efficiency, recurring expenditure on time, fuel and transportation due to horizontal sprawl. There has been a general lack of the considerations of social cost and overheads due to increase in length of transportation corridors and service networks as a result of horizontal sprawl. Today in Delhi, the official cost of group housing flats is not higher than its cost in the smaller town in the neighbouring states, which is acting as an incentive and accelerating the process of unwarranted immigration. If Delhi has to project an image befitting to a primate metropolitan centre of international stature, and also to control its unwarranted role of providing housing for its hinterland, it is necessary that an alternate strategy of development is adopted, replacing the present mode of horizontal growth.

#### ARGUMENTS AGAINST HIGHER F.A.R.

##### *Congestion*

- (a) *Building on land:* The congestion would be rather relieved, in case the maximum ground coverage is reduced to 25 per cent in place of present 35 per cent.
- (b) *People on land:* This is a characteristic of a metropolitan megacity, which gives urbanity and life to spaces. However this requires careful and conscious design approach to enhance environmental quality of spaces in the form of plazas, concourses, malls and avenues.

##### *Traffic Generation*

Population being a non-variable, the generation of traffic volume is directly proportionate to the sprawl. In other words, more traffic will be generated and the vehicles would be for a longer duration on the roads, in the case of low density pattern and horizontal sprawl. Traffic is minimised by inter-relationship of activities.

##### *Parking*

Due to increase in the FAR, given the same amount of floor area, parking requirements would remain the same, although dispersal of parking would not be so much as in the case of horizontal development. It is again a matter of proper designing, detailing and enforcement that

determines how efficiently the parking requirements can be met in high intensity pattern of development.

#### *Load on Services*

Proportionate to higher FAR, the need for services, especially water supply and power, would although increase per property, but the overall demand would not vary for a given population. On the contrary high density development would reduce the length of service networks. This would substantially minimise the capital and overhead expenditure in the provision of services, which is possible in high intensity development.

#### *Fire Hazard*

At present, the precaution and safety measures against the fire hazard have been inadequate even for low rise buildings. We have to inculcate a system and culture for fire safety which is a pre-requisite for metropolitan land development of which high intensity is a characteristic.

#### *Cost of Construction*

In the case of high intensity development, the cost of construction goes up by about 40 per cent due to special foundation, lifts and fire safety arrangements. However, correlated with the cost of land, services and additional benefits of floor area, high intensity development remains economical and yields better returns. No developer would try to obtain optimum FAR, had it not been so. Whereas in the west, the FARs as high as 4000 have been adopted, Delhi has one of the lowest FARs in the world and even in India. Table 1, indicates prescribed FARs in various parts of the country. However, generally the norms of floor area ratio in various cities abroad are even higher. Table 2 gives an idea about the FARs in some selected metropolitan centres abroad.

In fact, neither the higher density nor higher FAR are the indicators of the level of congestion and the quality of environment, as these have been popularly and synonymously associated. It is the design quality which could determine and enhance the environment, even in adverse conditions.

At the moment, Delhi has various stipulations with respect to development controls for group housing as indicated in Table 3.

The applicability and merits and demerits of various norms can be examined, if a test case is studied. This would bring out inter-relationship of various factors in group housing development. Taking a test case for one hectare plot for group housing, a comparative analysis has been done to work out the floor area, average size of dwelling unit, land cost per dwelling unit, average cost of dwelling unit, and other relevant factors for various alternatives, i.e., assuming development of: (a) four

storeyed walk-ups, (b) maximum eight storeyed, and (c) maximum 12 storeyed housing development. This analysis (as given in Table 4) brings out the following conclusions:

1. According to the existing norms, in the case of four storey development, an optimum FAR of 140 can be achieved. This gives 93 sq mt as average size of dwelling unit. The land cost works out to Rs. 28,333 for a density of 150 Dwelling Unit (DU) per hectare. In case, optimum FAR of 175 is achieved, the size of DU becomes 116 sq mt which is possible only in a seven storey development. In this case, the cost of DU rises steeply from Rs. 2.1 lakh to 3.7 lakh.
2. The Perspective Development Plan (PDP) 2001 norms envisage achievement of optimum FAR of 133 and size of (DU) (95 sq mt) within a four storey development. As such there is no advantage of going higher than four storeys. The parking norms of 1.33 car space per 100 sq mt, are too high, resulting into reduction of landscape area.
3. The Delhi Urban Art Commission (DUAC) standards are again based upon optimum development by construction of four storey walk-up housing. As such, construction beyond four storeys does not yield any benefit, but increase in the cost of construction/flat. The parking norms which vary according to the size of DU are more realistic.
4. As per the Government of India stipulation, at a density of 250 DU per hectare, only 40 sq mt size of DU is obtained in the case of four storey development. To achieve optimum FAR, it is necessary to go up to 12 storeys. In such a case average size of 100 sq mt of dwelling unit which can be obtained is at a density of 250 DU per hectare. Since there is not much difference in the cost of construction between eight and 12 storeys, this would provide an average size of 100 sq mtr of the dwelling unit. The component of cost of land per DU is minimum in this case (Rs. 17,000). The overall cost of an average dwelling unit is not higher than the dwelling unit of similar size in the case of lower FAR and density pattern, as proposed by PDP-2001 and the DUAC.

As such, an FAR of 250 and a density of 250 DU per hectare provide a most economical and efficient combination for group housing development, which merits adoption.

#### *The Concept of Land Use Intensity*

The term density is commonly used in land use planning, zoning and site planning, which means the number of living units or the number of

## IACT. PLOT

| <i>Upto 12 stories</i>             |                          |                         |                                      |                                    |                                    |
|------------------------------------|--------------------------|-------------------------|--------------------------------------|------------------------------------|------------------------------------|
| Total<br>cost<br>of<br>DU<br>(Rs.) | Floor<br>area<br>(sq mt) | Num-<br>ber<br>of<br>DU | Aver.<br>size<br>of<br>DU<br>(sq mt) | Land<br>cost<br>per<br>DU<br>(Rs.) | Total<br>cost<br>of<br>DU<br>(Rs.) |
| 5,333                              |                          |                         | ← Not allowed →                      |                                    |                                    |
|                                    |                          |                         |                                      |                                    |                                    |
|                                    |                          |                         | ← Not allowed →                      |                                    |                                    |
|                                    |                          |                         |                                      |                                    |                                    |
|                                    |                          |                         | ← Not allowed →                      |                                    |                                    |
|                                    |                          |                         |                                      |                                    |                                    |
| 1,333                              | 25,000                   | 150                     | 166                                  | 28,333                             | 5,67,133                           |
| ,250                               | 25,000                   | 200                     | 125                                  | 21,250                             | 4,33,750                           |
| ,000                               | 25,000                   | 250                     | 100                                  | 17,000                             | 3,47,000                           |

i. At an average size of 100 sq mt and 95 sq mt per DU, a density of

storeyed walk-ups, (b) maximum eight storeyed, and (c) maximum 12 storeyed housing development. This analysis (as given in Table 4) brings out the following conclusions:

1. According to the existing norms, in the case of four storey development, an optimum FAR of 140 can be achieved. This gives 93 sq mt as average size of dwelling unit. The land cost works out to Rs. 28,333 for a density of 150 Dwelling Unit (DU) per hectare. In case, optimum FAR of 175 is achieved, the size of DU becomes 116 sq mt which is possible only in a seven storey development. In this case, the cost of DU rises steeply from Rs. 2.1 lakh to 3.7 lakh.
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As such, an FAR of 250 and a density of 250 DU per hectare provide a most economical and efficient combination for group housing development, which merits adoption.

#### *The Concept of Land Use Intensity*

The term density is commonly used in land use planning, zoning and site planning, which means the number of living units or the number of

TABLE 1 FLOOR AREA RATIOS IN VARIOUS CITIES IN INDIA

|                               | <i>Residential</i> | <i>Commercial</i> | <i>Remarks</i>                |
|-------------------------------|--------------------|-------------------|-------------------------------|
| 1. Delhi                      |                    |                   |                               |
| (a) DMP                       | 75 to 175          | 100 to 250        | In enforcement                |
| (b) PDP-2001                  | 133                | 100 to 200        | Draft stage                   |
| (c) Govtment Guideline (1988) |                    | 250               | Still to be notified          |
| (i) multistoried              | 250                |                   |                               |
| (ii) (up to 4 stories)        | 175                |                   |                               |
| 2. Bombay                     |                    |                   |                               |
| (a) (1964-81 Plan)            | 166 to 245         |                   |                               |
| (b)                           | 100 to 133         | 300               | Density 200 to 438 DU/Hectare |
| 3. Hyderabad                  | 200                | —                 | —                             |

TABLE 2 PREVALANT FLOOR AREA RATIOS IN SOME CITIES ABROAD

| <i>Sl. No.</i> | <i>City</i>   | <i>FAR</i>                |
|----------------|---------------|---------------------------|
| 1.             | Singapore     | 400 to 600                |
| 2.             | Tokyo         | 900 to 1200               |
| 3.             | New York      | 1000 to 1500              |
| 4.             | Chicago       | 4,000 (Sears Tower 3,400) |
| 5.             | Washington    | 1,000                     |
| 6.             | San Francisco | 2,500                     |
| 7.             | Boston        | 1,400                     |

TABLE 3 GROUP HOUSING CONTROLS IN DELHI

| <i>Sl. No.</i> | <i>Controls</i>                       | <i>FAR</i> | <i>Ground Coverage<br/>(Percentage)</i> | <i>Density</i> |
|----------------|---------------------------------------|------------|---|----------------|
| 1.             | Delhi Master Plan/Bldg. Bye Laws      | 175        | 35                                      | 150 DU/Ha.     |
| 2.             | PDP-2001 (Draft)                      | 133        | 33.3                                    | " "            |
| 3.             | DUAC Conceptual Plan (Draft)          | 100-120    | 30                                      | 100-120 DU/Ha, |
| 4.             | Government of India Guidelines (1988) |            | 25                                      | 250 DU/Ha.     |
|                | (a) (m.s.)                            | 250        |   |                |
|                | (b) (max. 4 storied)                  | 175        |   | 150 DU/Ha.     |

people per unit of land area. As the size of living units and the number of occupants of units of any given size vary, density is a rather crude measure of the degree of land use. In place of density, the concept of land use intensity is more reliable. The concept of land use intensity, as employed, deals with structural mass and open space relationship. Thus, it is a measure of the total permitted floor area on a site of a given size. As the density is unresponsive to wide variables in living unit size and household size, its rating needs to be compared with land use intensity.

The land use intensity is a method for determining the maximum floor area of buildings on a given tract of land. It also determines the required amount of open space that must be provided for a specific floor area. In other words, land use intensity correlates the amount of floor area, open space, livability space, recreation space and parking space of a property with its land area. Land use intensity ratio also aids in determining the financial soundness of a proposed project. As such it is a crucial step in the preliminary considerations and planning of a housing proposal.

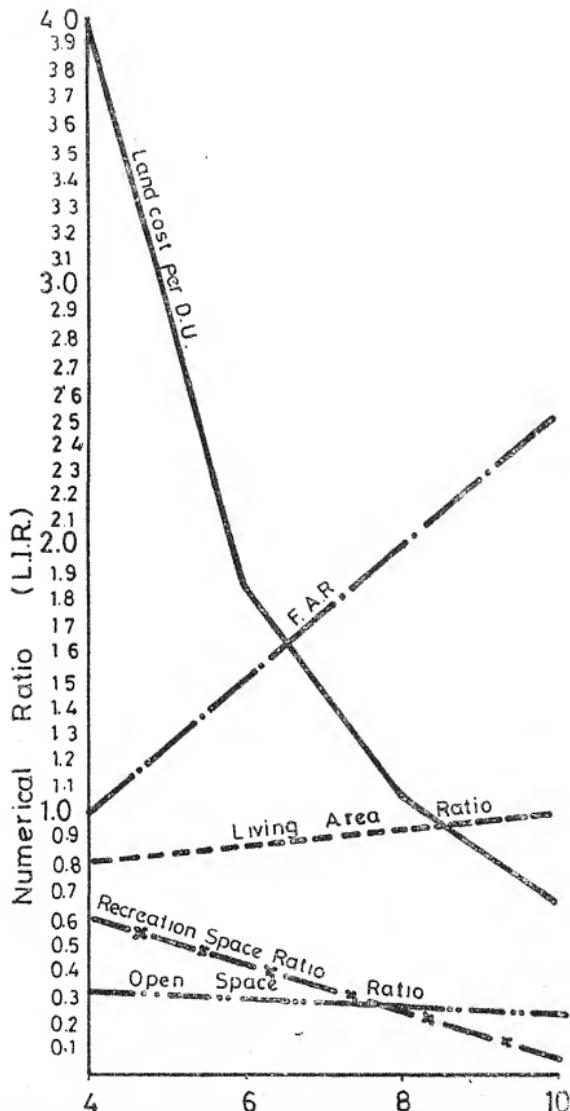
In the case of Delhi, a rapidly growing metropolis, having a huge backlog of housing, it is necessary to analyse and forecast the land use intensity pattern. The increasing housing demand warrants a more intensive land use in the future development pattern. Hence an optimum land use rating should be worked out. An unwarranted high land intensity rating tends to affect the project adversely by lowering its liability beneath the level appropriate for its location in the community and thereby lowering its rentability or marketability.

By correlating these aspects and their graphic presentation, it can be seen (Fig. 1) that as we go vertical with addition in number of floors, the FAR goes up, the living area increases, while the recreation space and open space decline. It is also seen that the land cost per dwelling unit goes down with an increase in the number of floors.

There has to be a balance between these conflicting factors to determine a suitable Landuse Intensity Rating (LIR), i.e., FAR, density, space ratio and cost effectiveness. This has been worked out for a typical case of one hectare plot as shown in the Tables 5, 6 and 7.

#### CONCLUSION

Keeping in view the enormous housing shortage in Delhi which is estimated to be around four to five lakh units, it is necessary to adopt an efficient land use intensity rating for future developments of Delhi. In view of the recent government order, which corresponds to LIR rating of '6', it is proposed to adopt either LIR of five or six for group



No. of Storeys (Range of optimum use for fixed ground coverage 25%)

FIG. 1 LAND USE INTENSITY RATING (LIR)

housing. This means adoption of a density of 200/210 to 250/260 DU per hectare and an FAR of 200 to 250 for group housing development.

We have to give up the 'Bungalow' mentality for housing development in the metropolitan context, if any importance is given to equitable distribution of land resource, and for the development of an efficient city of international stature.

TABLE 5 FAR DENSITY AND LAND COST RELATIONSHIP

| FAR | Floor area<br>for 1 hect. plot | Density in living<br>unit/ha (95 sq mt) | Land cost @ 425<br>sq mt (Rs.) |
|-----|--------------------------------|---|--------------------------------|
| 100 | 10,000                         | 105                                     | 40,476                         |
| 150 | 15,000                         | 157                                     | 27,070                         |
| 200 | 20,000                         | 210                                     | 20,238                         |
| 250 | 25,000                         | 263                                     | 16,159                         |

TABLE 6 FAR LIVING AREA, OPEN SPACE AND LAND COST  
RELATIONSHIP

| FAR | Floor area<br>for 1 hect. plot | Living area<br>ratio | Open space<br>ratio | Recreation<br>space ratio | Land cost per<br>DU ratio |
|-----|--------------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 100 | 10,000                         | 0.84                 | 0.36                | 0.38                      | 4.04                      |
| 150 | 15,000                         | 0.89                 | 0.24                | 0.25                      | 1.80                      |
| 200 | 20,000                         | 0.92                 | 0.18                | 0.19                      | 1.01                      |
| 250 | 25,000                         | 0.93                 | 0.14                | 0.15                      | 0.64                      |

Ratio arrived at—open space/livability space/recreation space divided by total floor area.

TABLE 7 LAND USE INTENSITY RATIO, FAR, DENSITY, SIZE OF LIVING UNIT AND HEIGHT-RELATIONSHIP

| S. No./<br>LIR | FAR<br>(10,000 sq mt) | Floor area per<br>grass hect.<br>(10,000 sq mt) | Density in living units per hect<br>Taking dwelling units size of |           |           | No. of floor<br>with 25%<br>ground<br>coverage | No. of floors<br>with 35%<br>ground<br>average |
|----------------|-----------------------|---|---|-----------|-----------|--|--|
|                |                       |   | 95 sq mt  | 107 sq mt | 116 sq mt |  |  |
| 1.             | 120                   | 12,000  | 123   | 112       | 103       | 96   | 67   |
| 2.             | 133                   | 13,300  | 140   | 118       | 114       | 106  | 74   |
| 3.             | 150                   | 15,000  | 157   | 140       | 129       | 120  | 83   |
| 4.             | 175                   | 17,500  | 184   | 163       | 150       | 140  | 97   |
| 5.             | 200                   | 20,000  | 210   | 186       | 172       | 160  | 111  |
| 6.             | 250                   | 25,000  | 263   | 235       | 215       | 200  | 139  |

**Annexure 1**

**EXTRACTS OF GOVERNMENT LETTER DATED 8.2.1988,  
PERTAINING TO DEVELOPMENT CONTROL  
GUIDELINES FOR DELHI**

The Government of India have decided that high rise constructions in Delhi be regulated subject to compliance with conditions of detailed urban design clearance, fire fighting requirement and requirements under other provisions like the Master Plan, zoning regulations, building bye laws, etc., but further subject to the following modifications:

- (a) The space to be constructed should be guided only by per floor coverage and floor area ratio (FAR) norms. These would, in general, influence the height of buildings, leaving at the same time some independence to the builders with regard to height. As such, there is no need to impose any specific height restrictions. The maximum per floor coverage should be 25 per cent of the net plot for all zones. This will include the area required for all services except passage to the building. The remaining 75 per cent must include only the passage to the building and the green area around.
- (b) Lutyens' Bungalow Zone: In order to maintain the present character of Lutyens' Delhi, which is still dominated by green areas and bungalows, there should be a separate set of norms for this zone area. This area will consist of the entire Lutyens' Delhi, excluding (i) the area lying between Baba Kharag Singh Marg on the South, Punchkuian Road on the north and the ridge on the west, (ii) the area between Baba Kharag Singh Marg, Ashok Road, Ferozshah Road, Barakhamba Road and Connaught Place, (iii) Mandi House, and (iv) the Institutional area where the Supreme Court is situated. It will, however, include the areas presently out of Lutyens' Delhi which consist of : (i) Nehru Park, (ii) Yashwant Place, (iii) the area lying between Yashwant Place and the railway line on the south, and (iv) the area lying between Nehru Park, Yashwant Place on the west and the boundary of Lutyens' Delhi on the western edge of Safdarjung Aerodrome and the Race Course. The following norms shall be adopted for construction in the zone:
  - (i) The new construction of dwellings, on a plot must have the same plinth area as the existing bungalow and must have a height not exceeding the height of the bungalow in place, or,

- if the plot is vacant, the height of the bungalow which is the lowest of those on the adjoining plots.
- (ii) In the commercial areas, such as Khan Market, Yashwant Place, etc., and in the institutional areas within the Lutyens' Bungalow zone, the norms will be the same as those for these respective areas outside the zone.
- (iii) The existing regulations for the Central Vista will continue to be applicable.
- (iv) The demarcation line of the Lutyens' Bungalow Zone should not run along prominent roads because, if it does so, there will be bungalows on one side of the road and high rise buildings on the other side. It has, therefore, been decided that the demarcation of the Lutyens' Bungalow zone should run along the first inner/outer road or lane from the prominent road through which the demarcation line is shown in the map. However, the demarcation can run through the prominent road where there is park, ridge or green area on the other side of the road.
- (c) The maximum per floor coverage of 25 per cent should include the area required for all services except passage to the building. Thus the parking facility must be included in the 25 per cent and it must be underground in case of new buildings that come up in the Central Business District (Connaught Place) and Business Districts. The remaining 75 per cent must include only the passage to the buildings and the green area around.
- (d) The FAR for the six areas listed below will be as indicated against each:

*Maximum Permissible  
FAR*

|   |     |
|---|-----|
| 1. CBD (Central Business District)<br>or Connaught Place area | 250 |
| 2. District Centre  | 250 |
| 3. Sub District Centre  | 100 |
| 4. Community Centre/Local Centre                              | 100 |
| 5. Group Housing (Residential Areas)                          | 250 |
| 6. Institutional  | 250 |

There will be no separate governmental category for FAR specifications. The norms for Government construction will be governed by the norms specified for the zone where the Government building is to be constructed,

While the maximum per floor coverage norms cannot exceed 25 per cent, relaxation in FAR norms could be granted to allow taller constructions in all zones except in Lutyens' Bungalow zone as redefined provided that the builder pays in appropriate mode the additional cost incurred on the infrastructure, such as water and fire fighting services by the urban body on account of additional FAR (Height). The detailed guidelines to determine the: (a) the additional cost, and (b) the mode of payment will be issued by the Ministry of Urban Development.

**THE CLARIFICATIONS DATED 27.7.1988  
TO THE GUIDELINES, ISSUED BY THE  
GOVERNMENT ON 8.2.88**

- (i) These guidelines are applicable only to high rise construction, i.e., to buildings with height above 45 ft or having more than four storeys. Low rise buildings will continue to be governed by the earlier guidelines regarding FAR, floor coverage, etc., provided at least 50 per cent of the area of the plot is left green. The parking and passage to the building will have to be accommodated in the other 50 per cent.
- (ii) The underground basement for parking may be permitted to extend beyond the building line up to the envelope line, subject to the condition that the top roof level of the basement beyond the actual building line should be flush with the ground and that it should be properly landscaped to make it green.
- (iii) For Group Housing with FAR of 250, permissible density should be increased from 60 dwelling units per acre to 100 dwelling units per acre (i.e., from 150 units per hectare to 250 units per hectare).
- (iv) Height restriction in sensitive areas having their special character and historical heritage will continue through the application of the provisions of the DUAC Act. □

# *IDSMT—A Strategy for the Development of Middle Order Cities and Towns —Field Experience*

N. ASHOK KUMAR

THE WORLD'S urban population which was three per cent at the beginning of 19th century was increased to 40 per cent by 1980. Numerical increase in urban population is not a serious concern but the rate of growth of urban population and its spatial dimensions are alarming the policy makers. This is because the world's growth rate of urban population is three per cent per annum as against 1.7 per cent of its total population. In the developing countries the problems are more complex where the rate of urban population growth is around four per cent as against 1.1 per cent in the developed countries. This means the developing countries will have to put all efforts to meet the challenges arising due to rapid urbanisation. India is no exception in this regard.<sup>1</sup>

The population living in urban areas has increased to six times in a period of eight decades, i.e., from 25 million in 1901 to 159 million by 1981. The primary reason is industrialisation resulting in migration of people (mostly labour force) from rural areas in search of employment. One of the most serious concerns of urban growth is the distribution pattern of urban population amongst the towns classified under different categories (Table 1). From the table the following conclusions can be made :

1. The number of towns had increased from 2,844 in 1951 to 3,291 by 1981;
2. While the number of towns classified under the first four classes had remarkably increased from 1951 to 1981, the number of towns in the remaining classes declined notably;

<sup>1</sup>The rate of urban growth was 4.6 per cent per annum as against 1.9 per cent of rural growth rate during 1971-81.

TABLE 1 URBANISATION IN INDIA

| Sl.<br>No. | Size<br>class<br>of<br>towns | No. of towns/UA |      |      |      | Percentage of population to total<br>urban population |       |       |       |
|------------|------------------------------|-----------------|------|------|------|---|-------|-------|-------|
|            |                              | 1951            | 1961 | 1971 | 1981 | 1951  | 1961  | 1971  | 1981  |
| 1.         | I                            | 74              | 102  | 145  | 216  | 44.31   | 50.77 | 56.21 | 60.37 |
| 2.         | II                           | 95              | 129  | 178  | 270  | 9.95  | 11.00 | 11.24 | 11.65 |
| 3.         | III                          | 330             | 449  | 570  | 735  | 15.79   | 17.41 | 16.32 | 14.35 |
| 4.         | IV                           | 621             | 732  | 487  | 1048 | 13.79   | 13.00 | 11.20 | 9.52  |
| 5.         | V                            | 1146            | 739  | 641  | 742  | 13.04   | 7.03  | 4.57  | 3.61  |
| 6.         | VI                           | 578             | 179  | 158  | 280  | 3.12  | 0.79  | 0.46  | 0.50  |
| TOTAL      |                              | 2844            | 2330 | 2539 | 3291 |   |       |       |       |

SOURCE: *Census of India, 1981.*

3. There is a significant increase in the population of class I and II towns during 1951-81; and
4. Urban population is concentrated largely in class I towns which are numerically less in comparison to the other classes of towns.

The last observation needs little attention. There are 216 class I towns in India accommodating 60.40 per cent of the total urban population. Thus, the role of small and medium towns is progressively diminishing. The decline is cumulative in effect, i.e., declining population leads to decreased civic interest, lowered thresholds of attraction for living, leading to further decrease in population and ultimately sinking in the problem of economic crisis. The primary reasons for such a state are:

1. imbalanced and unplanned urban development due to lack of any comprehensive urban development policy; and
2. low priority of investment and budgetary allocation towards the development of small towns.

The consequences are: (i) environmental degradation, (ii) increase of slums and squatter settlements, (iii) rapid depletion of resources, (iv) highly inadequate services, and (v) shortage in housing. Added to this, much pressure was caused on the existing infrastructure in the big towns and cities. For that matter, the towns were not either designed to face or absorb such problems as all these problems were not envisaged by the planners. Thus, sufficient funds were not allotted for the balanced devel-

opment of urban areas.<sup>2</sup> Till the Fifth Five Year Plan the subject of urban development was conceived at the peripheral level. Wider attention on the urban development is long overdue. If the trend of imbalanced urbanisation continue, the larger cities would grow larger and people's settlements would be in the first order cities and villages only. In line with this new thinking, the policy makers have evolved certain strategies. As a part of this, during the Fifth Five Year Plan, the Government of India introduced the urban development scheme, *viz.*, Integrated Urban Development for Metropolitan and other cities with three lakh plus population and provided assistance for the provision of civic infrastructure facilities. This was an *ad hoc* and temporary solution to the problems of bigger cities. Later, it was realized that the permanent solution to the problems of large cities lie in the smaller towns and hence the attention was shifted towards lower order towns in the succeeding plans. Thus the reliance on the concept of "Integrated Development" continued among the urban planners. The concept of "Integrated Development" from the point of application involves integrated investments and participation of several agencies based on a clear system of coordination and demarcation of work responsibilities. In the Sixth Plan, the development of small and medium towns received attention. In this respect the Government of India constituted the taskforce to look into the subject and on the advice of it a scheme, namely "Integrated Development of Small and Medium Towns" was introduced in the mid 1979-80.

This programme was mainly aimed to reduce migration of people from rural hinterland into large cities by developing the small and medium towns. It was decided to invest on the development of infrastructural facilities and provision of basic amenities in the small and medium towns and to make them accessible to the urban poor who are deprived of these facilities.

<sup>2</sup>Emphasis on over all development of towns and cities was though could be traced to earliest days of Post-Independence Period, its application was not as popular as it is now. In the earlier days of independence less attention was given to the urban development subject. This can be seen from the allocation of funds to the urban development sector during the first, Second and Third Five Year Plans. In the First Five Year Plan the major attempt made was recommending a National Towns and Country Planning Act which included land use zoning in order to curb horizontal spread of urban areas. The Third Five Year Plan laid greater stress on the importance of preparation of comprehensive development plans and metropolitan region plans through provisions of financial assistance. The Fourth Five Year Plan provided the actual push towards urban development, for instance, through greater importance for the provision of basic civic amenities particularly to slums. Further, during the Fourth Plan only the need for formulating urban land policy and improving the effectiveness of urban-local bodies was recognised. The Fifth Five Year Plan practically entered the field by sponsoring urban development programmes.

### OBJECTIVES OF THE SCHEME

The major objectives of the new scheme are :

1. to promote the growth of secondary cities and towns as new urban growth centres so as to act as counter magnets to the big cities;
2. to make the small and medium towns as service centres for the rural hinterland;
3. to generate employment; and
4. to supplement resources of urban-local bodies.

#### *Scheme Structure*

Three principal agencies are involved in the implementation of the Scheme: (i) the Government of India and state governments primarily as agencies for project formulation, financing and evaluation of implementation; and (ii) urban local bodies as the implementation agencies.

The Government of India intended to cover 237 towns and Rs. 200 crore was proposed to be spent during the Sixth Plan.<sup>3</sup> The financial structure of the scheme during the Sixth Five Year Plan period consists of a loan assistance of Rs. 40 lakh from the Government of India and equal matching share from the state governments or Union Territories<sup>4</sup> for the selected projects mentioned in the guidelines. The share of the local bodies, of course, was fixed at Rs. 20 lakh. Thus, the total cost of

<sup>3</sup> Practically the number of towns covered during the Sixth Five Year Plan (1980-85) was 235 under this scheme. The criterion for allocation of towns in each state was based on the proportion of urban population of the state to the total urban population of the country (Tamil Nadu 28, Andhra Pradesh 18, Kerala 9). The parameters which were prescribed for selection of towns were: one lakh and below population as per the 1971 Census; the towns should be either district or taluk headquarters or sub-divisional towns and *mandi/towns*; should be able to check migration and act as service centres to rural hinterland; should have potential for employment opportunities and presence of Government agencies etc., By the end of Sixth Five Year Plan the total amount of central assistance disbursed to all the 235 towns was Rs. 63.57 crore including Rs. 6.73 crore for low cost sanitation programme which was included under Part 3 A component during 1983-84. The programme has been allowed to continue during the Seventh Five Year Plan also with an additional coverage of 102 towns. During the Seventh Five Year Plan the ceiling on central assistance has been raised from Rs. 40 lakh to Rs. 52 lakh per town (including the Rs. 6 lakh for LCS). As far as the population criterion is concerned there is no change, i.e., one lakh or below as per 1981 Census.

<sup>4</sup> The type of financial assistance from the state governments under the scheme varies between the states. For instance in Tamil Nadu, the matching share of the government is in the form of 100 per cent loan like in Maharashtra and Karnataka states. It is 100 per cent grant in Kerala and 50 per cent grant and 50 per cent loan in Andhra Pradesh.

the scheme was Rs. one crore during the Sixth Five Year Plan.

The scheme includes two parts: component 'A' and component 'B'. The former is eligible for central assistance on matching basis under the scheme while the latter is to be funded by the state governments. But these two components should be implemented simultaneously during the scheme period. The component 'A' covers: (i) site and services, (ii) mandies and markets, (iii) traffic and transportation, (iv) industrial sheds or estates, (v) low cost sanitation which was part of component 'B' (till 1983-84 LCS), (vi) tourism development, and (vii) slaughter houses. Similarly, component 'B' includes provision of basic services like water supply, parks and playgrounds, improvement of slums, health care and preventive medical facilities, etc.

#### *Scheme Implementation—the State of Art*

The IDSMT Scheme was introduced in principle during 1979-80. The actual beginning of the scheme differed between the states and towns within the same state even. Except a few towns, in the majority of towns the execution of projects under the scheme commenced around 1985-86<sup>5</sup> resulting in difference in spending the financial assistance whatever received by the towns.<sup>6</sup> This is due to various factors about which I shall discuss in the later part of this article.

Considering the high degree of importance accorded to the scheme manifesting in the shape of participation of the central, state and local governments, an attempt was made to analyse the implementation part of the scheme. The observations made pertaining to the state of art of the scheme are based on a field study undertaken in a few selected towns in three southern states, viz., Andhra Pradesh, Kerala and Tamil Nadu.

*Deficient Application of Component 'B':* During the field study it was observed that the governments in the southern region have not adopted a definite pattern of financing and implementation of projects listed under

<sup>5</sup>In Tirupathi in Andhra Pradesh the actual execution of projects commenced from 1985 onwards. This was because of frequent modification of project proposals, etc. The experience is similar in Vizianagaram, another town in Andhra Pradesh where the implementation of scheme commenced from April, 1982.

For instance: Tirupathi had spent Rs. 79.20 lakh (113.14%) as against the total amount Rs. 70 lakh received as on 30-6-88. This means the additional amount of Rs. 9.20 lakh was spent from the municipal and urban development authority funds. Similarly, Vizianagaram town showed expenditure incurred to the tune of Rs. 102.18 lakh (126.46%) as against Rs. 80.8 lakh received. While this is the state of affair in Andhra Pradesh towns; the picture in Kerala is that the Trichur municipality spent Rs. 71.62 lakh (139.61%) as on September 1988 as against Rs. 51.30 lakh received. Kottiyam on the other hand spent Rs. 67 lakh (83.46%) as on December 1988 as against Rs. 81.05 received till December 1985. Kayakmulam could spend only 19.54 lakh as on September 1988.

the two components. Giving higher weightage to a few projects to the disadvantage of the other was conspicuously observed. This is more prominent in the case of implementation of projects listed under component 'B'. This situation is because of two factors: low order of priority to finance the projects on the part of state government and lack of enthusiasm born out of financial vulnerability on the part of urban local bodies. Further, disparity in the selection and financing the projects listed within the central sector of the scheme, i.e., component 'A' is also significant. This is due to two assumptions: (i) service oriented projects which do not give good amount of returns need heavy investment for implementation, and (ii) expectation of quick and more returns to the local bodies. This can be observed from the way funds were allocated and/or spent on various projects listed under the central sector. (Table 2)

TABLE 2 ALLOCATION AND INTENDED/ACTUAL EXPENDITURE INCURRED UNDER THE DIFFERENT CATEGORIES OF COMPONENT 'A'

| Sl.<br>No. | Name of the State | Basis                                 | Percentage of allocation/intended expenditure and/or actual expenditure incurred |      |       |      |     |      |      |
|------------|-------------------|---------------------------------------|--|------|-------|------|-----|------|------|
|            |                   |                                       | SS   | TT   | MM    | LCS  | TOU | IE   | SH   |
| 1.         | Andhra Pradesh    | Allocation of funds                   | 57.0   | 13.0 | 27.0  | 1.0  | 2.0 | —    | —    |
| 2.         | Karnataka         | Allocation of funds                   | 54.0   | 9.0  | 10.2  | 20.0 | —   | 6.8  | —    |
| 3.         | Kerala            | Intended Exp.                         | 29.23  | 41.5 | 19.26 | —    | —   | 7.18 | 1.83 |
| 4.         | Tamil Nadu        | Actual Exp. incurred as on March 1986 | 7.0  | 44.0 | 49.0  | —    | —   | —    | —    |

SS-Site and Services, TT-Traffic and Transportation, MM-Market and Mandies, LCS-Low Cost Sanitation, TOU-Tourism, IE-Industrial Estates, SH-Slaughter Houses.

From Table 2 it can be seen that different states had given preference to different sectors and there is no uniformity adopted either in the allocation of funds and/or in the expenditure incurred on various projects listed in the guidelines. For instance, Tamil Nadu state had spent larger share of the financial assistance on market and *mandies*. Thus, in the case of Tamil Nadu, the primary objective of giving high priority to the market and *mandies* category is generation of additional resources to urban local bodies. Contrary to this, in Kerala, larger funds were allocated on non-remunerative sector, i.e., traffic and transporta-

tion. This could be possible because the Kerala state government's matching assistance is cent per cent grant. Thus, in the case of Tamil nadu the philosophy of 'cost recovery' is conspicuously seen<sup>7</sup> while in Kerala provision of services is the primary objective. Therefore, deficient application of component 'B' and absence of definite pattern of financing and implementation of the projects specified under component 'A' reflect lack of coordinated resource procurement programme towards the implementation of the scheme as envisaged in the guidelines. From the point of balanced urbanisation, the pattern adopted is far from satisfactory. A large number of towns lacks even basic services and unless actual importance is accorded to balance, the main objective of the scheme itself would be lost.

It is high time to realise that equal emphasis needs to be primarily laid on the basic services. In the absence of an integrated plan composed of basic services, housing, marketing, garbage disposal, employment opportunities, good environment, etc., urbanisation problem remains unsolved.

*Projects Formulation in a hurry:* The scheme was introduced during 1979-80. Sufficient time was not given to the state governments, for the preparation of scheme proposals. Thereby no scope was left either for the local bodies or for the department of town and country planning to make a detailed and realistic assessment of local needs and to ensure themselves of the availability of lands for the implementation of projects. Besides, cost estimations of each project was prepared roughly leading to much difference between original estimated cost and the actual expenditure incurred on the projects. Consultation with the knowledgeable and the beneficiaries in the respective towns was not made during the identification and designing of the projects by the officials of town planning and municipal bodies. This resulted in various problems<sup>8</sup> like land litigations, lack of demand for the project units, etc., thereby forcing the municipalities either to go for a change in the completed projects or keeping the projects idle for years together causing much

<sup>7</sup>In Tamil Nadu out of 171 projects formulated in all the 28 towns covered under the Scheme, 98 (57%) are under Market & Mandies; 58 (34%) are under Traffic and Transportation and only 15 (9%) are under sites and services.

<sup>8</sup>For instance, it was observed that the completed projects like lodging rooms(Udagamandalam in Tamil Nadu), lorry and taxi stands have been converted into shopping complexes as there was no demand. Similarly in Pollachi, another town in Tamil Nadu, one of the two projects was delayed and another was totally dropped after a lapse of five years due to land acquisition problem (as on March 1986). The land selected for this project belonged to the private people who demanded high price which was not anticipated by the municipality. Similar problems were also noticed in the selected towns in Andhra Pradesh too. For instance, in Vizianagaram town in Andhra Pradesh there is no demand for the shopping complex and *Janata Bazar* which were constructed under the scheme.

financial strain on the municipalities. There are few instances where some of the projects had been dropped even in the midst. Further it was found that the projects were conceived and designed by the officials of the department of town planning alone and the local bodies had no role (if at all they had it was only limited) either in identification or preparation of projects. This is another reason why the projects do not have adequate consideration to the local conditions and needs.

*Non-availability of Municipal or Government Lands and Legal Involvement in Private Land Acquisition:* This is in continuation of what has been said in the previous para. In most of the towns, non-availability of municipal or government lands for the implementation of projects was more conspicuously observed. That resulted in going for acquisition of private lands. But in the acquisition process the local bodies and/or the project implementing agencies had to face many problems like delay in receiving the court orders in the payment of compensation, rise in urban land prices, and encroachments resulting in cost overruns, unfinished works, delay in the completion of projects or dropping out projects sometimes.<sup>9</sup> While this is one extreme, the other extreme is that knowing that these problems will emerge, the officials concerned selected such sites which made them either to wait for years together to get clearance from the court and revenue department or to drop the projects after waiting for few years. This is particularly in view of rising urban land prices, on the one hand, and difficulty in the provision of alternative sites to the land owners, on the other.

*Delay in the Release of Funds:* Inordinate delays in the release of funds constitute another major impediment in the speedy implementation of the scheme. Both the Government of India and the respective state governments release funds in phases. In the first phase, 40 per cent of the total approved financial outlay is released and the balance 60 per cent depends upon the production of the utilisation certificate for the previous releases.

It was observed that issue of utilisation certificate involves complex procedures which directly contribute to considerable delay. At times, the municipalities are compelled to wait for more than one year in receiving the entire funds.

The delay in releasing the funds not only hindered the implementa-

<sup>9</sup>To substantiate this, few cases in Tamil Nadu were cited earlier. Few more instances in another southern state Kerala are as follows: In Trichur, a district headquarters town, three projects under site and services and one project under traffic and transportation are yet to be completed (as on August 1988) due to land litigations and involvement of court in the process. In Kayamkulam, a *Mandi* town in Kerala state the same problem arose and due to which projects under the traffic and transportation and Industrial Estate are at stand-still.

tion but even left the municipal bodies in the state of disgust.

*Frequent Transfers of the Municipal Personnel:* Very often transfer of municipal officials like commissioner, engineer and town planning officer during the implementation of scheme is an accepted fact which not only interrupts the implementation but also affects the continuity. As the scheme being time bound such a practice has a negative impact rather than a positive. Of course, transfer of officials is a policy matter which cannot be totally ridiculed. But from the point of implementation of time bound projects, the question of transfer of officials who are directly concerned with the project formulation, execution and totally answerable is a matter of very much concern.

*Holding of Review Meetings at the Local Levels is not as per the Guidelines:* It was observed that meetings of monitoring committees were not held in any of the states under study regularly as supposed. The Government of India specified in the guidelines that the committee should meet once in a month which in practice had never happened.<sup>10</sup> This was primarily due to pre-occupation of the members of the monitoring committee with their regular works. Thus, the subject of poor supervision as well as review of the progress regularly deserves attention.

*Inclusion of Low Cost Sanitation under Component 'A' did not achieve the Anticipated Results:* As said earlier, prior to 1983-84 LCS was part of state component (component 'B'). As long as it was under the state sector, considerable progress was made, and, therefore, the Government of India transferred this part from the state sector to the central sector. But, the results are not sound. This is due to the quantum of assistance given to individual beneficiary which is around Rs. 1,000 while the same under the World Bank assistance and UBS scheme is Rs. 1,900. Besides the, assistance, under the UBS Scheme is cent per cent subsidy while in the case of World Bank it is 50 per cent subsidy and 50 per cent loan.

<sup>10</sup>During the field study in Tamil Nadu it was found that in a few towns it takes six to eight months to hold review meetings. In the selected towns in Kerala state it is surprised to note that not only holding of meetings is irregular but even the committees are not yet formed in few towns and in such cases the progress of the scheme is being referred to the district planning committee meetings along with the other ongoing development programmes in the district under the Chairmanship of the district collector. The experience is similar in Andhra Pradesh too. For instance, in Vizianagaram the review meetings were held as follows:

9-6-1983, 23-5-1986 and 8-10-1986 and since then no more meetings were held. In Tirupathi, the municipality claims that no meeting was held so far while the Tirupathi Urban Development Authority expressed that the latest meeting was held in July, 1985. In Kerala state no meetings were held in Trichur and Kokatayam. In Kayamkulam monitoring meetings were held in May, 1982, July, 1983, February, 1984 and April, 1986.

Under the IDSMT, the state governments of Kerala and Andhra Pradesh provide the assistance in the form of 50 per cent loan and 50 per cent grant while in Tamil Nadu and Karnataka states, the assistance is cent per cent loan. These disparities caused much problem to the municipalities in achieving the results.

*Assignment of Execution of Projects to the State Departments:* For the very reason of lack of expertise in the municipalities, some state governments like Tamil Nadu have entrusted the job of execution of projects to the state departments.<sup>11</sup> This arrangement quite often caused delay. This is because the state departments have their own priority and are not in a position to spare their staff for IDSMT projects. The net effect is enormous slippages in implementation schedules resulting in cost escalation. These are some important hurdles or impediments observed in the implementation of the scheme. Besides, a few other aspects also deserve attention such as :

1. projects under service sector which are highly capital intensive with only marginal returns and earmarked for state governments financial assistance were not given equal weight for the reason of lack of funds. Whatever the local bodies are doing under this category is only a piece-meal;
2. delay in according both administrative and technical sanctions;
3. payment of 12.5 per cent of the total estimated cost as centage charges to the implementing agencies compelled the municipalities to lose Rs. 10 lakh in a total outlay of Rs. 80 lakh. This aspect merits attention;
4. people are not made aware of the scheme well in advance and hence their participation in the implementation of scheme is conspicuously poor; and
5. finally, absence of convergence approach resulting in the formulation and execution of similar projects under different programmes or schemes.

<sup>11</sup>In Tamil Nadu the major implementing agencies are PWD (buildings/highways), the TWAD Board and Housing Board besides the municipalities. Similarly, in Karnataka, the projects under the industrial sheds and low cost sanitation sectors alone were given to the government agencies, namely, KSIDC and KWSDB and the rest to the municipalities except in one town, Hospet where the City Improvement Board is the executing agency. In Kerala, the municipalities are themselves executing agencies while in Andhra Pradesh both the urban development authorities (wherever the municipalities come under the purview of urban development authorities) and the municipalities are assigned with the execution of projects.

## SUGGESTED REFORMS

In the light of problems and deficiencies noticed in the implementation of the scheme, the following reforms are suggested based on the views and reactions expressed by the officials, non-officials and the beneficiaries who are directly connected with the scheme:

1. Every effort should be made by the town planning personnel and municipalities to assess the local needs before finalising the projects. This can be done by undertaking base line survey. Further, identification of projects responsibility should be vested with those who have adequate appreciation of the local needs.
2. Identification of projects should not be done by the town planning personnel alone. Municipalities and the planning department can provide necessary technical assistance. This means that free hand should be given to the municipalities in identification of project.
3. Provision of basic needs are as important as betterment of municipal finance. The component 'A' of the scheme is predominantly remunerative in nature and the component 'B' is more service oriented and is earmarked for state governments financial assistance. The state governments have not shown the required enthusiasm for the reason it is highly capital intensive. As the financial assistance was in the form of either partly or cent per cent loan, the municipalities showed reluctance in taking up the projects categorised under component 'B'. This resulted in losing the importance of the concept 'integrated approach' this concentrating more on component 'A'. This is not expected in the guidelines. For the balanced urbanisation the Government of India and the state governments should find a mechanism which can ensure equal importance to both the sectors.
4. As far as land acquisition problem is concerned to avoid delay at the revenue department level, a land acquisition officer can be placed at the disposal of the municipalities which are covered under the scheme till acquisition and handing over of lands to the municipalities are over. Besides, a thorough inter departmental survey is necessary before selecting the site so as to find out the ownership, legal complications involved and the willingness of the owners to sell their lands. It is advisable to adopt 'Land Bank' principle before launching any development programmes.
5. It is suggested that once the projects are identified and cost estimates approved, the Government of India on its part must release its entire share to the concerned state

- governments. The state governments in turn should add their matching share and place it promptly at the disposal of the municipalities. The municipal commissioners must be vested with accountability pertaining to the expenditure of the amount. This will ensure the municipalities and the executing agencies to spend the funds within the prescribed time and according to the fixed schedule of operations.
6. Preparation of cost estimates of the projects should be done by the qualified technical personnel and the current PWD rates should be adopted. Under no circumstances the cost estimates be prepared hypothetically and hurriedly.
  7. Payment of centage charges to the implementing agencies needs modification. It is desirable to totally exempt the municipalities from the payment of percentage charges or provide subsidy which is equivalent to the amount payable to the executing agencies, or the percentage charges should be made part of the scheme cost.
  8. An effective coordination network should be developed between the municipalities and the implementing agencies so as to avoid delay in the execution of works. This can be done with increased role by the district collectors who are the Chairmen of the local monitoring committees and the district planning committees in most of the cases.
  9. In order to minimise the delay in the issues of technical sanctions, either the state government can constitute an engineering cell in the directorate of town planning or municipal administration with adequate engineering staff empowering to accord technical sanctions. Or, the DTP should be vested with the power of CE (PWD) in the matter of according technical sanction.
  10. As the scheme is time bound three municipal officers, namely, commissioner, municipal engineer and the town planning officer should not be disturbed till the scheme is completed. This is important from the point of continuity, supervision and accountability.
  11. It should be made compulsory to hold the review meetings once in three months instead once in a month as stipulated in the guidelines.
  12. It appeared as if the officials alone are concerned with the scheme and the elected bodies are in the way related. This means people's participation in the scheme is either totally absent or partial. For successful implementation of any programme, people's participation is pre-requisite and inevitable. It normally depends on their awareness of the ongoing programmes in the area and can be achieved only if they understand, accept and support the

programme. It is necessary that those who are responsible for the formulation and designing of the IDSMT scheme must first understand the community and its needs and accordingly design the programme. People's participation must begin right from the planning and identification of projects and continue during implementation till the projects are completed. Their role is recognised as one of the corner stones of the programme implementation and evaluation. □

## *Management of Civic Services in Greater Bombay*

S. S. TINAIKAR

THE CLAIMS of the city on the state and Central Governments for direct financial assistance have been repeated from time to time, since Bombay is accepted to be the commercial capital of the country, and the maintenance of civic services to ever increasing population must be directly financially supported by the state authorities. The state government had requested Government of India and Ninth Finance Commission for special allocation of funds by the Government of India to Bombay; the recommendations of the Ninth Finance Commission read as follows:

The great national cities of Bombay and Calcutta have fallen into a State of decay with urbanisation, congestion and immigration which have overtrained the civic services. Both the cities are principal industrial and commercial centres serving a vast hinterland well beyond the limits of their respective state boundaries. They also provide livelihood, shelter and support to a significant number of population migrating from outside. Therefore, provision of a certain minimum level of civic facilities and infrastructure support in these cities is indeed a matter of national concern. The Commission considers that this is primarily the responsibility of the state concerned. We recommend Rs. 50 crore each may be given by way of one-time special grant-in-aid to the Governments of Maharashtra and West Bengal for slum clearance and environmental improvement of slums and provision of basic amenities in the cities of Bombay and Calcutta, on the condition that they would provide a matching amount for the purpose. The instalments may be released on the basis of 50:50 sharing of expenditure at each stage by the concerned state.

We would consider this matter further in our second report. Meanwhile, we would expect the state concerned to restructure the outmoded rent control legislation so as to lead to the growth of revenues of the Municipal Corporations and to strive for relocation of

industries with a view to releasing prize-land for improving the environment.

Accordingly, Government of India have sanctioned Rs. 50 crore by way of one-time special grant-in-aid to the Government of Maharashtra to be spent before 31st March, 1990, on the condition that the Government of Maharashtra would provide a matching amount for the purpose. The Government of Maharashtra have prepared various development schemes for the total fund of Rs. 100 crore. Government of Maharashtra is contemplating to spend this amount through the various agencies, such as Municipal Corporation of Greater Bombay, Bombay Housing and Area Development Board, Bombay Metropolitan Region Development Authority, for providing various amenities to the city of Greater Bombay with emphasis on Slum Improvement Programme.

At present Government of Maharashtra is carrying out the following schemes in Greater Bombay which directly or indirectly provide various civic services and amenities.

#### *District Planning and Development Council*

The District Planning and Development Council (DPDC), which is an apex planning body for Greater Bombay, is spending around Rs. 50 crore annually for various projects such as Dairy Development, Development of Link Roads, Education, Housing and Urban Development (which includes environmental improvement of slums) and various projects for beautification of Bombay city. The works undertaken by the DPDC ultimately help in improving the living conditions of the citizens of Bombay.

#### *Slums Improvement Programme*

In the year 1974, Government of Maharashtra established Maharashtra Slum Improvement Board, which was entrusted with the work of providing basic civic amenities to the slums. The Corporation executed the work of providing basic civic amenities on government, municipal and private lands, as an agency of Slum Improvement Board through the funds provided by the Board till the year 1978. After the establishment of Maharashtra Housing and Area Development Authority in 1979, the Slum Improvement Programme is being handled by Bombay Housing and Area Development Board which provides funds to the Corporation for providing basic civic amenities to slums on municipal, government and private lands. Expenditure on account of Slum Improvement Programme carried out is of the order of Rs. 2,000 lakh approximately.

#### *Prime Minister's Grant*

Government of India have sanctioned an amount of Rs. 100 crore for

improving the conditions of slums and housing in Greater Bombay. The programme has three major components:

- (i) *Redevelopment of Dharavi*: Under this programme, an amount of Rs. 37 crore is earmarked for improving infrastructural facilities and housing in Dharavi. Estimated cost of this project is Rs. 37 crore out of which works of Rs. 18 crore is to be carried out by the Corporation for increasing the basic civic amenities such as water supply, storm water drain, sewerage and roads in Dharavi;
- (ii) *Urban Renewal*: An amount of Rs. 41 crore is ear-marked for reconstruction of old dilapidated buildings in the Island city; and
- (iii) *Slum Upgradation Programme*: Under this programme, it is proposed to grant tenure of land, basic civic amenities, etc., to the hutment dwellers mainly on Municipal and Government land, Allocation for this programme is Rs. 22 crore.

#### *Bombay Urban Development Project*

The Government of Maharashtra has undertaken a low cost shelter project with the aid of World Bank at a cost of Rs. 300 crore. Under this scheme about 40,000 sites for construction of houses will be developed and given on affordable rates to the citizens belonging to weaker section; also about one lakh families staying in hutments, will be granted tenure of land, basic civic amenities and home improvement loan; 20 per cent of these families will be from hutment dwellers residing on municipal land.

#### *Maharashtra Housing and Area Development Authority and Bombay Metropolitan Region Development Authority*

Maharashtra Housing and Area Development Authority which exclusively deals with the housing activity, is providing low cost housing to economically weaker sections as well as to the middle class citizens of Greater Bombay, in addition to undertaking repairs and reconstruction of dilapidated old buildings in the island city.

Bombay Metropolitan Region Development Authority is at present undertaking the work of development of Bandra-Kurla Complex, Wadala Truck Terminal, East-West Rail Corridor, Textile Market at Bandra, Oshivra District Centre and commercial complex at Varsova, for which Bombay Metropolitan Region Development Authority is a special planning authority.

#### **REVIEW OF THE RESOURCES AND LIABILITIES**

We have been concentrating more on the 'obligatory' duties which include the provision of drinking water, improvement of drainage and

Sewerage Systems, effective Conservancy, Scavenging and cleansing services, Public Health Services and Medical Relief, establishment of Markets, Slaughter Houses, provision of Burial and Cremation grounds; construction and maintenance of Roads, Bridges and Culverts; Primary Education, etc., rather than on the duties termed as 'Discretionary'. It is necessary to enlist enthusiastic cooperation of enlightened citizens for undertaking these activities with only supportive participation from the Corporation. The citizens expect much more improvement in these services in spite of our sincere efforts to augment the basic services as the rate of growth of population is much higher than our capacity to meet the demand for improvement of the civic services.

The citizens are also aware of the very high cost of establishment, which is bound to increase in the following years, if the present trend continues. Since the revenue is not likely to rise at a faster rate, it is bound to encroach on the monies available for purchases of goods which support the services that are extended by the Corporation.

The training of staff has been extended to a number of subjects and employees of different departments at various levels are covered. Yet we have a plenty of scope for extending this programme at Central Training Institute and Research Centre of the Corporation at Borivali, as only 50 per cent of our capacity to train is utilised so far.

Octroi continues to be the single largest source of municipal revenue. Government of Maharashtra have not yet given up their commitment to abolish Octroi, if an alternative levy can be found out which will contain the basic features of this tax, viz., liquidity, elasticity and steady growth. The Minister, Urban Development, Government of Maharashtra, held a special meeting on 29th November 1988 of Mayors and Presidents of Municipal Corporations/Councils to sense their views on the Government decision to abolish Octroi. The Committee under Shri P.D. Kasbekar which examined the alternative levy to Octroi vide its report, which was not unanimous, recommended Entry Tax as a desirable alternative. The recommendation of the Committee was, however, not acceptable either to the local bodies or to some trading organisations, who had initially supported the abolition of Octroi. We are, however, determined to improve existing system of Octroi, by simplifying procedures of assessment and collection by providing facilities to the tax payers and to transporters, as also to our staff so that detention of vehicles is within tolerable limits. As a result of reforms already brought about, on a pilot basis at Dahisar octroi-post, goods vehicles are segregated as they enter octroi-post into various channels, so as to classify them into those which are subjected to detailed and time consuming calculation of octroi leviable and other vehicles. The staff is upgraded and augmented, more windows are opened, inspection system is improved and refund system is streamlined so as to dispose of the refund

claims within a month. This system is now being extended to other octroi-posts where civil works are already under execution.

In addition to the above, the work of proposing further fundamental changes in octroi schedule, preparation of working manual for the octroi staff, etc., is taken up in hand, so as to increase operational efficiency. This task has been assigned to an experienced officer who has considerable expertise in this subject. It is expected that during the year 1989-90 the irritating features of octroi will be totally eliminated.

In this context, it may be mentioned here that in the year 1985-86, we had proposed to revise the rates of octroi on certain items of goods which would have fetched a revenue as then estimated at Rs. 25 crore per annum. However, the government have not so far given their sanction to this proposal as the fate of octroi is hanging in balance.

There has been abnormal delay by the Corporation in increasing the Fees and Charges *pari passu* with increase in the cost of service or charge in Deonar Abattoir, Swimming Pools, Auditoria, Slum dwellers.

In the current year, we have intensified our vigilance on Octroi, Stores and Conservancy. A Vigilance Unit lead by a Deputy City Engineer, has been constituted to check on quality of materials purchased by the Stores Department. Similarly, in Medical Stores, more intensive quality control and vigilance is imposed.

The Wheel Tax, one of the oldest taxes which the local body could levy mainly in order to generate resource for maintenance of roads, has been frozen after the Motor Vehicles Tax was introduced by the State Government in 1958, at the level where it prevailed in 1950. Table 1 shows the comparison between the income of State Government from Motor Vehicles Tax only (*i.e.*, excluding Passenger Tax, etc.) and the income of Municipal Corporation from the Wheel Tax.

A proposal to abolish Wheel Tax altogether and increase the Motor Vehicle Tax in such a manner that the State Government would pass on a share of Motor Vehicles Tax, levied and collected in Greater Bombay, to the Municipal Corporation of Greater Bombay, is under consideration of Government of Maharashtra. This would save the citizens the botheration of paying taxes in respect of their Motor Vehicles to two different authorities and also help the Corporation in getting from the State Government steadily rising revenue without serious efforts to recover it. Similarly, the possibility of Road Tax to be levied and recovered from the occupiers of property by the Municipal Corporation is being examined by the State Government.

The other sources of revenue, like licence fees, various fees and charges from markets, by definition, are such where, as distinguished from the taxes, the rates are connected with the cost related to administration and regulation of those activities for which licences or permits

TABLE 1 INCOME FROM MOTOR VEHICLES TAX AND WHEEL TAX

(Rs. in crore)

| Year  | 1983-84 | 1984-85 | 1985-86 | 1986-87 |
|---|---------|---------|---------|---------|
| Collection of Motor Vehicles Tax in<br>Bombay by State Government | 18.96   | 19.62   | 24.30   | 28.05   |
| Collection of Wheel Tax by BMC                                    | 2.35    | 2.36    | 2.40    | 2.91    |

are granted and hence we cannot increase them suddenly or substantially. In the current year, the rates of licence fees were increased three folds, so as to increase the income from this source to a level as estimated by the Standing Committee and the Corporation in the Budget Estimated for the year 1988-89, but on account of stiff resistance from the traders and licencees, the increased levy could not be enforced.

Scheme of charging unauthorised hawkers at the rates of Rs. 5 per day for perishable goods and Rs. 7 per day for non-perishable goods was started in all Wards on selected roads and is expected to fetch revenue of Rs. 3.10 crore during 1988-89 and Rs. 5 crore approximately during 1989-90 by expanding the coverage.

Next to Octroi, the Property Tax is major source of income for the Corporation. The property values in southern tip of Bombay City are reportedly among the highest in the world, and they are rising steeply every year notwithstanding Urban Land Ceiling Act, Income Tax Act, etc. Yet it is not reflected in the increased income accruable to the Bombay Municipal Corporation from general and other taxes related to property, on account of linking of these taxes to rateable value which is frozen by Rent Control Act. The Act has thus created an artificial gap between market value of the property tax and value assessed for property tax. This contradiction between the real and the legal rentals has resulted in loss of considerable revenue which the Corporation ought to have received legitimately. In spite of this, there is an increase in receipts from General Tax, Fire Tax as shown in Table 2, which is attributable to construction of new houses.

The growth rate, however, could have been much higher had building activity in the Corporation area kept pace with demand for residential and non-residential units. The estimated shortage of residential units as on 31st March 1988 was 10 lakh approximately and the gap between demand and supply of housing units was increasing year after year. On account of poor growth of various buildings or tenements, not only is the Municipal revenue from the Property Taxes very poor, but the large scale unauthorised constructions, whether temporary or permanent, have created serious civic problems of water supply, conservancy, drainage which we have to meet without receiving revenue from the occupiers of

TABLE 2 RECEIPTS FROM GENERAL TAX AND FIRE TAX

(Rs. in crore)

| <i>Year</i>          | <i>General Tax</i> | <i>Fire Tax</i> |
|----------------------|--------------------|-----------------|
| 1983-84<br>(Actuals) | 40.20              | 2.53            |
| 1984-85<br>(Actuals) | 44.14              | 2.81            |
| 1985-86<br>(Actuals) | 46.34              | 3.46            |
| 1986-87<br>(Actuals) | 52.81              | 3.28            |
| 1987-88<br>(Actuals) | 54.68              | 3.50            |
| 1989-89<br>(R. Es.)  | 65.00              | 4.06            |
| 1989-90<br>(B. Es.)  | 72.00              | 4.50            |

those premises. This situation of a large percentage of population living either in shanty colonies or unauthorised houses which are outside the net of Property Taxes is throwing a heavy burden on the civic exchequer, which we have to meet at the cost of those who are within the fold of Property Tax.

The generation of wealth in Bombay continues to attract, from all over the country, those who are in search of a livelihood. By now the population of the city, which was 82.43 lakh in 1981, is estimated to have reached one crore, nearly half of which is living in substandard and densely shanty colonies.

Provision of housing is not an obligatory duty of the Corporation, and we look to the Public Housing Authorities and the National Policy on Housing to augment the housing stock by suitable financial and fiscal measures, and land distribution policy. We have relaxed considerably our Development Control Rules and Building Bye-laws to provide for high-density housing, particularly for the weaker sections of the society. The reforms in Urban Land Ceiling Act or discouragement in keeping the land unbuilt or vacant by taxing them, are expected for a long time. HEFC has offered to us to undertake a massive housing programme for the municipal employees by offering housing finance to them on special favourable terms and a number of sites have already been selected for this purpose.

Primary Education is one of the most important obligatory duties of the Corporation under clause (q) of section 61 of the Bombay Municipal

Corporation Act. The mounting expenditure on the Primary Education is mainly due to increased wage bill of the teachers and other administrative expenditure disproportionate to the corresponding assistance granted to the students. However, the provision for school feeding programme, free supply of text books, the excursion and extra curricular activities, etc., has been made.

The Government of Maharashtra give grant to Primary Education at 20 per cent of the admissible expenditure incurred by the Corporation on primary education, whereas they give the grant at varying percentage upto 50 per cent to other local bodies in the state. The question of increase in the rate of grant-in-aid upto at least 30 per cent has been taken up with the State Government in the past repeatedly, which has still not been accepted by the State Government. The rate of 20 per cent fixed on admissible expenditure, about a decade ago, has now worked out to be only about 11 per cent of the actual expenditure which we are incurring on Primary Education. We are pursuing our demand with the State Government. We are also requesting the Government to give us a share in State Education Cess.

As per Government directive we undertake programmes for upliftment of Backward Class communities by making provision equal to five per cent of the net revenue of Corporation, to be arrived at after deducting from the gross revenue the committed expenditure. We do incur expenditure for betterment of slums/hutment colonies where generally a larger percentage of backward class people reside. We have also made a provision of Rs. 2.33 crore for structural repairs/construction of conservancy staff quarters where majority of the residents belong to backward class communities. In addition, we are also encouraging 'Bhangi Mukti' scheme by granting subsidies to private owners of premises for conversion of basket type privies into full flushing system, which will stop the unclean operations required to be carried on by some backward class communities. We have also made a provision of Rs. 35 lakh for 'Bhangi Mukti' Scheme.

As far as arrears of Property Taxes, Water Charges and Wheel Tax as on March 31, 1988 are concerned, an amount of Rs. 60.84 crore is under various processes of recovery for its realization, while an amount of Rs. 40.48 crore is involved in writ petitions, appeals, etc., which will take considerable period of time for its settlement; an amount of Rs. 26.51 crore is difficult to realise as it is overdue from unauthorised structures, textile mills, National Textile Corporation, court cases of water charges and official liquidator.

## SCHEMES UNDERTAKEN AND TO BE PLANNED

### *Conservancy Services*

Environmental improvement has been initiated since 1970. However, even though most of the slums on public lands belonging to the Municipal Corporation, State Government and Housing Board have been covered by this scheme and in many areas they have been generally maintained by Municipal Corporation, the slums on private lands which accommodate nearly half of the total number of slum dwellers in the Municipal Corporation area have not been provided with environmental amenities of the same order. Further, these amenities are not maintained at all by the Corporation or the Government. Worst still the normal sweeping and cleansing of drains on every day which is undertaken in slums on public lands mentioned above is not extended to the slums on private land which are cleaned only once a week by the Conservancy Department of the Corporation. Since accumulation of garbage sullage and silt in any inhabited part of the city is a source of danger to the health of the entire city, we propose to cover, in the following financial year, even slums on private lands, in our normal system of daily sweeping and removal of garbage. It is proposed to cover the structures on private land under our normal fold of Property Tax as was the practice earlier. We will enforce recovery of Property Taxes from, and maintain the amenities provided in private slums, in the same manner, as we are required to maintain them in the slum areas on the lands of Municipal Corporation, Government or Housing Board.

The citizens have to suffer the nuisance of defecation and defiling of public streets and pavements by the slum dwellers and the floating population. In many slum areas, the density and location of huts is such that the availability of open sites for construction of public sanitary convenience is extremely poor. Similarly, a large number of commuters and floating population do not have easy access to public sanitary conveniences. It is, therefore, proposed to construct or remodel the existing public sanitary conveniences close to the slums and also at suitable places on the pavements and roadsides. Wherever possible, these public sanitary conveniences are proposed to be allotted to voluntary agencies, for construction and maintenance, as has been already done since the last couple of years, and which has been demonstrated at a magnificient scale by Housing Development and Finance Corporation at the junction of Naigaon Road and Ambedkar Road near Asiad Bus Stand at Dadar. Fifteen sites are identified along the pavements, out of which the work has already been started at six sites. Government of India have announced a special grant for implementing this scheme more extensively and under which, we expect Rs. 75 lakh as outright grant.

Municipal Mazdoor Union representing the employees of Conservancy and other departments has voluntarily undertaken improvement in the town sweeping and refuse removal by intensive vigilance, improving supervision, and enforcing house-to-house collection from January 1, 1989 in F/North Ward on experimental basis. The results are encouraging, as there is a distinct visible improvement in the general cleanliness of that Ward and reduction in the absenteeism. Further progress is yet to be achieved in house-to-house collection, and in extending street cleaning services to private slum areas throughout the week. Similarly, in Bandra, a pilot project was initiated since April 1988 to eliminate dustbins on the public streets, to be replaced by house-to-house collection and removal of garbage twice a day. So far 70 per cent of the area of the H/West Ward is covered, and before the end of this financial year, the entire Ward will be covered. This scheme will be gradually extended to other Wards. Similarly, night services for removal of garbage from the areas where hotels and markets are located, are already introduced in 'C' Ward in Bhuleshwar area where sweeping cannot be easily done during the day time; this system will be extended to other similar areas.

As expected the contract for the purchase of 40 compactors, two excavators and 11 dumper vehicles for the use of Solid Waste Management Department has been awarded and supply is expected in the course of the following year. This will help improvement of our conservancy services.

#### *Maintenance of Roads*

Many of the roads in the city have outlived their life and need to be structurally reconstructed. We have been repairing them superficially with the result that amount spent on superficial repairs has proved wasteful when the roads are exposed to heavy rains. The number of vehicles that ply as also their total laden weight have increased tremendously during the last decade. Yet, a massive programme of reconstruction of those roads, which have outlived their life, has not so far been undertaken. We propose to undertake massive programme of renovating our arterial roads in cement concrete, particularly at the sites where they are subjected to heavy wear-and-tear.

The Western corridor, viz., Annie Besant Road, Veer Savarkar Road, Swami Vivekanand Road, Lal Bahadur Shastri Marg, Gokhale Road, Lady Jamshedji Road, Sion Trombay Road, Ramkrishna Cheburkar Marg, etc., will be widened. As we need hot mix for immediate repairs to roads or for pot hole repairs it is proposed to replace the existing old asphalt plant in the Woili and further to instal a new asphalt plant at Western Suburbs to cater to the needs of the Suburban area. It is

also proposed to have a systematic survey of all channels and natural courses so as to prepare a master plan of Storm Water Drain.

The vehicular-traffic congestion has already reached serious dimension hence it has become necessary to give high priority to road-over-bridges. The work of providing road-over-bridge near Matunga Railway Station has already been completed this year and opened to traffic. Similarly, the work of constructing road over-bridge, linking East and West of the Goregaon near Goregaon Railway Station, is progressing satisfactorily, and is likely to be completed in the following year. The work of construction of road-over-bridge at level crossing between Kandivali and Borivali stations is expected to start in the following year.

The increase in vehicular traffic is causing inconvenience to the pedestrians and demands provision of sub-way across busy arterial roads. A sub-way is planned across Vir Nariman Road, opposite Churchgate Station. Proposal to award the contract is being placed before the Standing Committee and work may start in two months, if the proposal is accepted by the Standing Committee.

Senapati Bapat Marg, which was designed as an extra corridor is underutilised because of bottleneck at Dadar Station, especially during peak hours. It is, therefore, proposed to provide a low clearance, fly-over-bridge for vehicles at this spot so as to separate the pedestrian traffic moving across the present road from fast moving vehicles between the North and the South of Bombay.

A bridge over the Western Railway track, extending the Sion-Mahim Link road is being constructed by the State Government; this is expected to be completed in the following year, when the vehicles will pass from Senapati Bapat Marg to Dharavi and Sion.

Borivali and Dahisar area on the Western Railway tracks is at present separated by Dahisar river and the residents have to take circuitous route by crossing the railway track and then come back to Dahisar or Borivali which involves about a four km travel. To facilitate the movement, it is proposed to construct a bridge across Dahisar river.

#### *Sports Complexes*

The Municipal Corporation of Greater Bombay has two sports complexes, one each at Andheri and Mulund in suburbs of the city. A Trust to manage the sports complex was proposed to be established. The Trust has been established a few months ago and management of Andheri and Mulund Sports Complexes is transferred to the Trust. Considering the infant stage of the Trust the entire expenditure for management cannot be expected to be raised by the Trust and, therefore provisions for the above said activity have been made.

### *Pay and Park*

Pay and Park Scheme is well established at Gateway of India, Flora Fountain, Crawford Market, M.G. Road, Kamala Nehru Park, Khodadad Circle and Dahisar Octroi Naka. It is proposed to start this scheme at Eros Cinema, Opposite Jahangir Art Gallery, near LIC Building and other spots. Similarly, the scheme of levying parking charges for parking of vehicles during night hours on public streets is proposed to be introduced from April 1, 1989. In order to help the handicapped persons, licences are granted to such persons for telephone booths, Mofco stalls, etc., if they are sponsored by the Institutes which are working for the physically handicapped persons.

### *Beautification Programmes*

Small works of local importance, particularly those which beautify the environment have been taken on a scale larger than before by many eminent citizens and business houses. These works primarily include plantation of trees, adoption of gardens and construction of Public Sanitary Conveniences. Among those, who have taken up these works in a very significant manner, must be mentioned like Housing Development Finance Corporation, who have taken particular interest in provision of Public Sanitary Conveniences, and the Federation of Society of owners of buildings at Nariman Point Complex who have taken the responsibility for provision of stalls of eatables, construction of Public Sanitary Conveniences, plantation of trees and adoption of pavements. The entire central median of over three km from Chowpaty to Nariman Point (Netaji Subhash Chandra Marg) is already allotted to different enterprises, business houses for conversion into a central ribbon of beautiful foliage and shrubs. Similarly, the central dividing ribbon at Dr. Babasaheb Ambedkar Road, at Senapati Bapat Marg is undergoing transformation by the plantation of shrubs and small plants by the Textiles Mills and Industrial houses located on these roads.

### *Health Services*

On the front of Medical Relief, the work of establishment of burns' unit at Kasturba Hospital is under progress and work will be executed in a few months, and the unit will start functioning in the year 1989-90.

The original plan of establishment of drug deaddiction unit at Reay Road Maternity Home is proposed to be dropped for want of adequate space, and now it is proposed to establish the said centre at Bhardawadi Maternity Home with the assistance of Central Government.

Blood Fractionation Unit in KEM Hospital started functioning from this year on a pilot basis, and will operate on full scale in the current year. This Unit is first of its kind in India. A proposal to form a suitable Trust for management of Blood Fractionation Unit is already

submitted to the Corporation. The work of expansion of GTB Hospital to cover Chest Diseases as a super-speciality is under progress and in the final stage.

The treatment of leprosy and rehabilitation of the patients needs to be expanded. A number of voluntary agencies have been carrying out various activities in the field of detection, treatment and rehabilitation of persons affected by this disease. It is necessary to have a well coordinated plan for leprosy control and rehabilitation considering the peculiar nature of the disease. Ackworth Leprosy Hospital, which is a Trust and was in receipt of some grant from the Government of Maharashtra in the past, is now dependent financially on the MCGB. With the repeal of the Leper Act, Government of Maharashtra has stopped financial aid to the Hospital. Pending decision on the final status of the Hospital by the Corporation, we propose to revitalise and strengthen the leprosy treatment and rehabilitation programme in Greater Bombay by entrusting the job of coordination to Ackworth Leprosy Hospital.

A provision of Rs. 20 lakh has been made for the construction of hospital-cum-maternity home at Kannamwar Nagar, Vikhroli in the eastern suburbs. Work upto plinth was already completed some few years back and was abandoned on account of paucity of funds.

Work of construction of electric crematorium at the cemetery of Shivaji Park is completed, and it will be commissioned in a couple of months.

#### *Water Supply*

With the completion of entire Bhatsa-II (Bombay-II) additional quantity of water of 30 MGPD will be made available to Greater Bombay. This will give relief to the critical areas of the city. □

# *Managing Urban Transport in India*

SUDARSANAM PADAM

THE ALARMING growth of urban centres is a well-known global phenomenon and India is no exception. The rate at which urbanisation is increasing has caught both the planners and administrators unaware. The meagre facilities of housing, roads, sewerage and drinking water have been over-burdened under the rural efflux. The increasing growth of urban population has considerably eroded the quality of living and there is indeed a threat to the long-run survival of our big cities.

The strains caused by unplanned urban growth have taken toll of the transport infrastructure also. It is a truism to say that the transport system, specially in the urban areas, influences, and is influenced by, the environmental realities. The unplanned, scattered eruption of housing and habitation, the inadequate construction and maintenance of roads, the over-increasing bottlenecks of circulation have taken a vicious stranglehold over the transport system.

In all major urban centres, the transport system is under the control of government organisations. Except perhaps in the case of Calcutta where the share of private bus operation is considerably larger, in all other cities like Bombay, Delhi, Madras, Hyderabad, Bangalore and Ahmedabad, urban transport is planned and managed by government owned/controlled transport organisations. There is, however, a multiplicity of agencies controlling and determining the urban environment in India. Roads are laid and planned by municipalities. Traffic is regulated by the police. Licensing is done by Regional Transport Authorities. And public transport is operated by semi-autonomous transport undertakings. The Indian urban scene is, therefore, a kaleidoscope of semi-autonomous and often squabbling authorities, perpetually treading on each other's toes.

In the present context, it is not surprising that there is no appreciable increase in transport facilities in the face of runaway growth of population. It is indeed a matter of grave concern that the quality of life in cities is deteriorating while their political, cultural and economic influence is, at the same time, rapidly growing. The opportunities of

eking out a living in urban areas being far greater than those in the rural areas, there is no likely reversal of urbanisation in the near future. This fact alone should compel those who are responsible for urban decision-making to appreciate the urban problems in all their manifestations.<sup>1</sup>

The general lack of effectiveness in urban planning has affected planning for public transport. The growing inability of municipalities to find finance even for the normal house-keeping jobs has isolated, and relegated to a lower level, the task of providing adequate transport facilities. There is a considerable amount of *ad hoc* decisions in spite of cities having long-range development plans. This has resulted in lack of clearly identified responsibility to select, finance and instal public transport systems in urban India. While there is an endeavour to develop comprehensive plans in municipal areas, their implementation is daunted by the task of bringing together the semi-independent authorities responsible for each ingredient of planning, such as housing, roads, circulation and public transport.

The tendency to concentrate planning at the higher levels of government, and to neglect it at the level where it is most relevant, "is to cause both the Centre and the states to entrust improvement works to special boards and agencies instead. The result of this policy is that planning and improvement at the city level tends to be fragmented. It is nobody's business to see it as a whole".<sup>2</sup>

#### THE EMERGING SITUATION

In the cities of advanced countries, the problems of urban transport are qualitatively different. There, the car has been treated as sacred cow and allowed to roam free in increasing numbers. Every conceivable argument was advanced for letting this situation continue. According to Michael Thomson, some highway engineers, in support of the car, "have become amateur philosophers, politicians and economists, proclaiming that people have a *right* to use their car freely on roads, that no government would *dare* to clamp down on their use, and that the economic survival of the city or nation depends on it".<sup>3</sup> It was very soon realised that the need was to move people rather than vehicles and strategies for traffic limitation in the city centres have emerged.

The example provided by cities like Singapore and Hong Kong in this respect are the envy of their counterparts elsewhere in Europe and

<sup>1</sup>S. Padam, "Urban Transport", *Hindustan Times*, January 7, 1979.

<sup>2</sup>Ursula K. Hicks, *The Large City: A World Problem*, London, Macmillan, 1984.

<sup>3</sup>Michael Thomson, *Great Cities and Their Traffic*, London, Victor Gollancz Limited, p. 197.

America. Taking advantage of the controls on immigration which are the blessed privilege of city states, these two cities have been able to prepare comprehensive plans of mobility and use every mode of available transportation to optimal advantage. While preserving the bus and the tram, they have constructed the most modern metro railways in the world, fully realising that a city which is left with no option but to live in high-rise buildings for reasons of space has to have rapid mass transit, and yet preserve the other modes of transport.

The situation in developing countries is vastly different. Those unfamiliar with these cities have felt that because of low car ownership they do not have major transport problems. This is not true. "On the contrary, the worst transport problems are to be found in the dense, chaotic, exploding metropolises of the Third World where the impoverished public sector is quite incapable of providing the infrastructure requirements to even a low vehicle-owning private sector".<sup>4</sup> The need for efficient public transport in the 'developing' cities is far greater in view of the dependence of a majority of people who cannot own transport of their own. It is also not within the reach of these cities to have high cost metro railway systems in view of lack of finance. There is, therefore, a pressing need to adopt low cost strategies by carefully planning for relocation of activities, contributing to reduction in needless travel. There is also the need for the developing countries to realise the inevitability of urbanisation and to develop medium-sized urban areas to halt the rural efflux midway between the large cities and the villages. Though this is easier said than done, in view of increasing attractiveness of large cities and the impossibility of making every village self-efficient, the options are indeed very limited.

It was once thought that in cities like Delhi, Hyderabad and Bangalore, which have scope for geographical expansion, by careful town planning, the need for high cost mass transit systems could be eliminated. The existing trend of constructing high-rise buildings is likely to further over-burden the central business districts. The wide roads of these cities are getting cramped more and more with steady increase in traffic congestion. Due to limitations of space, in a city like Bombay mass transit system is essential, and it is fortunately preserved in the shape of local trains. But if cities like Delhi, Bangalore and Hyderabad are also developed on high-rise pattern, the local bus system cannot cope with the high densities of traffic requiring to be cleared in shorter intervals. At the same time, it would be very costly in future to go in for metro railway. Calcutta's experience in this context is a pointer for other cities. It is, therefore, necessary to develop medium-sized urban areas to absorb certain activities which are presently

<sup>4</sup>Michael Thomson, *ap cit.*, p. 224.

centralised in large cities and to slowly restructure large cities in order to pre-empt a future situation demanding adoption of high cost strategies.

#### INADEQUATE GROWTH

Urban transport facilities are unable to keep pace with the growing needs of transportation. The bus services operated by public sector organisations in major cities in the country leave much to be desired in terms of catering to the increasing demand. In the case of Delhi, Bombay and Madras, while the growth of population is 3.67 per cent, 3.23 per cent and 3.04 per cent respectively during the decade 1971-81, during the last five years, the transportation facilities have only shown slight increase at 4.37 per cent, 3.79 per cent and 4.31 per cent, respectively. In the case, however, of Ahmedabad and Poona, the growth of population during 1971-81 was 3.74 per cent and 4.03 per cent respectively while the increase in the number of buses during the last five years has only been 0.59 per cent and 1.90 per cent respectively.<sup>5</sup> This shows that while bigger cities are somehow able to compel the attention of the government; the second string cities are not able to do so. The position of medium-sized cities is indeed worse.

Public transport in cities should be improved and expanded to attract custom from other less efficient and more fuel-consuming modes of transport. This will result in the double advantage of decongestion of central business districts and saving of fuel. Even though car ownership may not be very high in Indian cities, taxis and cars with low occupation do occupy considerable space on the shrinking urban roads. The greater the efficiency and adequacy of public transport the more is its contribution to urban life through efficient circulation of traffic.

#### FINANCING URBAN TRANSPORT SYSTEMS

There is growing controversy about financing public transport systems in urban areas. Take the case of our four major cities (Bombay, Calcutta, Delhi and Madras); the public transport systems in these cities are under the charge of government-owned undertakings. But it is interesting to note that each of them has a different organisational set up requiring varied methods of financing. In Bombay, the Bombay Electricity Supply and Transport (BEST) Undertaking operates bus services as a wing of the Municipal Corporation. The BEST Undertaking does not cater to all the demands of public transport; the local railways take care of a large chunk of high density twice-a-day commutation between work-place and residence. The finances of BEST

<sup>5</sup>S. Padam, "Urban Mobility", *Economic Times*, September 28-29, 1982.

Undertaking are linked to its performance in electric supply and, in general, to the municipal policies.

In the case of Calcutta, the Calcutta State Transport Corporation (CSTC) is jointly financed by the Central and State Governments under the provisions of the Road Transport Corporations Act 1950. The new Metro has already become popular and its extension is eagerly awaited in a city—which has been denied civilised public transport for decades. Fortunately the Calcutta Tramways Corporation is still around, fighting for its existence.

The Delhi Transport Corporation is a Government of India Undertaking, directly controlled by the Ministry of Surface Transport. In the case of Madras, city bus services are run by the Pallavan Transport Corporation which is formed under the Companies Act and fully owned by the State Government. In Hyderabad and Bangalore, urban transport systems are part of the operations of Road Transport Corporations mainly responsible for providing transport services in rural areas. Ahmedabad and Poona are municipal undertakings.

The different organisational patterns under which urban transport is being managed is symptomatic of lack of clear perception of the place of public transport in improving the quality of urban life. Transport in India has traditionally been considered as a business proposition and therefore, a source of revenue. While this may be true to some extent in the rural context—even this is under attack in view of increasing social and developmental commitments—in the case of urban areas at least, transport should be considered an essential infrastructure facility. The reasons for poor quality of urban transport are generally attributed to inefficient management. But primarily it is the inability (or is it the reluctance?) of the passenger to pay an economic fare which is at the root of the bankruptcy of urban transport organisation.<sup>6</sup> The urban transport fares are low and uneconomical, plunging the management into a state of helplessness and making its job a thankless one. This unmotivating atmosphere is the breeding ground of inefficiency.

There is a view that the urban passenger should be made to pay an economic fare. It is common to notice that a passenger who is willing to pay ten times more for a personalised alternative mode of transport will resist even a 10 per cent increase in public transport fares. The other point of view is that a majority of urban passengers cannot afford an economic fare. In which case, there is need for subsidising them by directly meeting the losses incurred by urban transport organisations. Then, the agency that is being subsidised is not the transport organisation but the passenger, though through the transport organisation.

Considering the plenary importance of efficient urban transport

<sup>6</sup>S. Padam, "Pricing in State Road Transport", *Financial Express*, June 4-5, 1978,

systems, it is necessary to drastically alter the existing policies or to evolve new policies where there are none. As in the case of public transport systems in the developed countries, there is need to generously finance the capital expenditure and operations which are unremunerative. At the same time operations socially considered necessary should be specifically subsidised either by the concerned local authorities or by State/Central Governments.

The extent of subsidisation of urban transport in European cities\* is shown below:

| <i>Country</i>             | <i>No. of cities</i> | <i>Fare revenue as Percentage of operating cases</i> |
|----------------------------|----------------------|--|
| France                     | 4                    | 40-75  |
| Germany                    | 4                    | 50-75  |
| Italy                      | 2                    | 15-20  |
| Denmark, Norway and Sweden | 4                    | 40-60  |
| Switzerland                | 6                    | 50-55  |

Financial performance of urban transport organisations need not necessarily reflect the quality of service rendered by them. It is possible to run an urban transport organisation profitably by abandoning unremunerative routes and cancelling concessions given to various sections of the community. This will, however, go against the very philosophy behind the creation of government-owned transport organisations. Physical performance standards should be established for judging the service rendered by urban transport organisations and analysis of financial performance should be tempered by the social costs incurred in taking care of the total transportation needs.<sup>7</sup>

#### WHO SHOULD MANAGE URBAN TRANSPORT?

The right agency which can take care of the management of urban transport, like the proverbial philosopher's stone, has been eluding our grasp. It is now clear that wherever there are social responsibilities to be undertaken, the private sector is not the right agency. The present

\*SOURCE: *The Chartered Institute of Transport Journal*, London, November 1977.

<sup>7</sup>S. Padam, "Public Sector Road Transport Management", *Lok Udyog*, April 1978.

situation in Calcutta is an illustration. As an alternative to financing the growth of CSTC, the State Government, in the mid-60s, encouraged private participation as a softer option. The result since has shown the increasing neglect and indifference on the part of the Government to the working of CSTC. In fact, the size of CSTC has also shrunk considerably. The private operators were interested in operating wherever there was greater traffic density and infact there was a considerable growth of mini-buses and other stage carriages. But with the ever-increasing costs of operation, it is recently reported that several private operators are surrendering, or are about to surrender, their permits. Another recent example is Bhopal city where the Road Transport Corporation has been compelled to take over city services.

The other option of entrusting city bus services to Road Transport Corporations, which are primarily responsible for rural transport, deserves scrutiny. Bangalore and Hyderabad are two major cities where city bus operation is the responsibility of State Road Transport Corporations. In view of increasing losses in city services and the relative profitability of rural operations, no wonder the Road Transport Corporations have treated city operations at best with benevolent neglect and at worst as a hated burden. New buses, which are capable of giving higher productivity in terms of kilometers, are mostly used in rural areas and old fully-depreciated buses are reconditioned and put on city routes. This attempt to minimise commitment of scarce capital on losing operation resulted in inadequacy of buses and inefficiency due to frequent breakdowns and cancellations. These are the consequences even in trying to make the best of a bad job.

There is also the lopsided cross subsidisation of funnelling surpluses gained in rural transport to cover losses in urban transport. After all, the rural passenger with lower per capita income cannot be made to pay for the urban passenger with high per capita income. Though it can be argued that the urban dweller spends a higher percentage of his income on transport, it should not be that the rural passenger pays for the former. If there are surpluses in rural operation, these surpluses should go into improving the quantity and quality of rural bus operation. Whichever way we look at the problem, it is not in the best interest of efficiency of urban transport systems to entrust them to Road Transport Corporations which are primarily geared to meet transportation demands in rural areas.

As noted above, the four major cities in the country have four different organisational patterns, operating in splendid isolation, with their ownership claimed either jointly or individually by the Central and State Governments. It is time that urban transport is seen as an integral part of urban living and, therefore, not isolated from its environment. The steady deterioration of urban transport all over the country stems

from a mistaken policy of isolating urban transport operation. The multiplicity of agencies responsible for improving the quality of urban life and the difficulty, if not the impossibility, of bringing them together for evolving a comprehensive approach, have already done enough damage to our urban centres. Urban transport should be planned, financed and developed in keeping with other urban facilities. It is, in other words, the business of the city to look after its own transport system. The occasional and selective charity from the World Bank notwithstanding, the Central and State Governments should come to cities' rescue with financial help. The responsibility, however, of managing a city transport system should solely be that of the city alone.

#### CONCLUSION

The rapid urbanisation triggered off by concentration of opportunities in cities is an inescapable global phenomenon. In order to halt the present unplanned growth of large cities, it is necessary to plan other urban centres as midpoints between the large city and the village. Among the ingredients which determine the quality of life in urban centres, transport is one of the most important. Transport planning, in this context, should be an integral part of the overall urban planning. This will mean a careful relocation of activities to minimise needless travel. The general tendency to look upon transport as a business and a source of revenue is fraught with severe limitations in the urban context. Transportation is essentially an infrastructure facility. The organisations presently responsible for public transport in major cities are government-owned. But the lack of proper appreciation of the importance of public transport and the diseconomics arising out of inadequate transport facilities have been the main reason for inefficiency and huge financial losses. The right organisational pattern for urban transport, under the circumstances, is within the purview of the city's overall management, to be aided and funded by government and other agencies—but essentially as part of city's own activities. □

# *Land Information System for Urban and Regional Planning Using Remote Sensing Technology\**

HARNAM SINGH AZAD  
and  
A.P. SUBIDHI

LAND INFORMATION System (LIS) is an essential pre-requisite for formulating plans, policies and programmes including implementation, monitoring and evaluation. In planning and development of towns/cities and their hinterlands, the need for a suitable information system assumes a still greater importance. The need for a scientific, reliable and up-to-date information about the land has also further increased in our country where the growth of overall population has been phenomenal since independence. Planning in India, like other developing countries, has to depend largely on conventional methods for acquisition of data and its processing, which has not only hampered the process of plan making but also resulted in inefficient planning. Therefore, the use of remote sensing techniques like aerial and satellite remote sensing offers an effective and very useful substitute for creating a LIS both for urban and regional planning because of its reliability, permanency of record, all weather capability (radar data) synoptic, repetitive coverage and computer compatibility and multiple data acquisition capability.

## DEFINING LAND INFORMATION SYSTEM

LIS is a system for handling spatial data related to multi-variate level and attributes concerning topography and culture. It can also be defined as a system which provides information/data related to special geographical area. The basic pre-requisite for evolving a LIS is to develop a viable basis reference system with a built-in flexibility to introduce

\*Authors are thankful to Prof. P. Mishra and Prof. N.B. Sharma, Indian Institute of Remote Sensing, Dehradun for providing a lot of literature on the subject.

sophistication overtime. Theoretically, one can conceive the following three types of reference systems:

- (a) a reference system based on coordinates for points;
- (b) a reference system based on a reference to individual parcels; and
- (c) a reference system based on a reference to a grid network, e.g., the road net-work where each inter-section can be considered to be a reference point.

The first system envisages generation of maps on a smaller scale (i.e., 1:25,000 and above) for planning purposes but when the scale of base map is less then 1:10,000 then the same may be used as a useful tool for engineering jobs. The second system (*i.e.*, parcel system) is commonly referred to Cadastral System and mostly used by most of the countries for revenue collection and proper maintenance of revenue records. In the third system, the identification of a reference system is based on networks such as roads and is done generally to implement specific jobs.

Hence, all Land Information Systems perform the following major functions:

1. Data input which normally consists of a mixture of manual and automated digitising operations together with associated data cleaning and editing activities.
2. Data storage and retrieval which implies initial creation of information/data base and subsequent up-dating operations and query handling.
3. Data manipulations/creation of component variables through processing activities directed towards both spatial and non-spatial attributes of system entities.
4. Report generation or output which consists of tables and graphical output.

#### *Conventional Land Information System in India*

Organising information/data for a large country like India is a herculean task. The various states and union territories in our country have been collecting and using data in different manner. Yet the main sources of data in the country atlarge are conventional methods as mentioned below.

**Administrative Areas and Data:** The country as a whole has been divided into 25 states and seven union territories. There are about 450 districts which have been further subdivided into 3,500 tehsils or talukas and 6,05,224 revenue villages, for all of which some sort of statistical data and maps are available.

**General Topographical Sheets:** The general topographical sheets of

Survey of India are available for whole of the country on varying scales, e.g., 1:250,000, 1:50,000 and 1:25,000 showing many items such as physical features, rivers, generalised settlements pattern, land use and other cultural attributes, transportation and communication network.

*Census Data:* Various kinds of census operations are conducted in India at a regular interval of time. The census handbooks on population give not only statistical data but also provide various kinds of generalised maps at state, district and tehsil/taluka level showing boundaries of revenue villages apart from town maps both to the scale and notional. Similarly, agricultural and animal census also provide not only useful data but also related maps of the country.

#### *Conventional vs Modern Techniques of LIS*

We in India have been relying, so far, on conventional methods for data acquisition and processing. These methods, as we all know it well, are invariably slow, unreliable and inaccurate to meet the needs of present development. Although a good deal of consistent effort has been made to have a good LIS in the field of land records in the form of cadastral and agricultural maps, yet the position with regard to data system at urban and regional levels as a whole is far from satisfactory. Infact, so far, no system has been evolved to compile/collect, store and retrieve information at a subsequent point of time, in a systematic manner.

Recently, a humble beginning has been made in India too, through use of aerial photography and satellite imageries, like advanced countries of the western hemisphere where "Data Registers" are developed to serve as data bases in relation to specific geographic position in the geographic reference system. These data registers are also computerised. Such data registers are being created in India at National Remote Sensing Agency (NRSA), Space Application Centre (SAC), Indian Institute of Remote Sensing (IIRS) and other Regional Remote Sensing service Centres (RRSSC) under National Natural Resources Management System (NNRM) programme.

#### *LIS for Urban Planning*

The main advantage of remote sensing data in creating LIS for urban planning is the multiple use and various interrelated informations which can be extracted from it. The air borne data are being used as useful input in preparing up-to-date base map, land use analysis, monitoring urban growth, detection of slum and squatter areas and unauthorised constructions, traffic studies, urban morphological and town scape studies, population estimation, population studies and socio-economic condition studies.

*Base Map:* The first and the foremost usefulness of aerial remote

sensing has been found in preparing base map and up-dating it for urban planning purposes since the ground methods are not only arduous but also inaccurate and time consuming. Thus, aerial photographs offer an appropriate technology in creating/preparing base maps for preparation of Master/Development Plans.

*Land Use Inventory:* Urban land use reflects man's use of the built environment. The analysis of built environment in the city is also a pre-requisite in preparing Master Development Plan so as to study the trends in the growth of the city. The preparation of land use inventory is a time consuming job. Moreover, the fastly changing urban scape also warrants the need to use the latest land use map in plan making. Gross land use types such as residential, commercial, industrial, transport, etc., and detailed use of land can be had from aerial photographs. The accuracy of land use data depends heavily on the classification scheme used and the minimum delineable area.

*Land Use Change:* The urban area is more subjected to change than the rural area. Such changes give us the growth and trend of the city's development which guide the urban planner's in preparing Master Development Plan. Series of maps can be generated by using sequential photographs of different years.

*Unauthorised Development:* Since the growth of urban population has been enormous in India, it has led to a different situation by creating slums and squatter areas in cities and towns. Thus to improve the environment of such areas, an identification may be made by the use of aerial photographs. Hence for the identification of slums and squatter areas and unauthorised constructions, the use of sequential aerial photographs both conventional and small format, is best suited in order to make rehabilitation and action plans in upgrading the environment of these areas.

*Traffic and Transportation Planning:* In traffic and transportation planning there has been an increasing demand not only for topographical and geological data but also for accurate and up-to-date traffic flow parameters such as vehicle, speed, volume and congested areas at the urban level. It is here that aerial remote sensing offers a useful information/data on vehicle types, density, speed and traffic bottleneck areas. The main advantage of aerial photographs lies in its ability to freeze the movement of vehicles at a specific time and location. Thus, it provides a synoptic view of the area for planning purposes.

*Morphology and Town-scape:* The evolution and identification of different cycles of the built environment has always been the concern for urban planners. As such, it bears the witness of the great change brought about by man. The built environment as it consists of houses and buildings, roads, paths and other structures, depicts the morphology and

town-scape of the town. Therefore the study of evolution of the city in different cycles of development can easily be extracted from aerial photographs of different years.

*Population Estimation:* Another useful information/data that can be obtained from aerial photographs at urban level is the number of habitants. Since migration to urban areas from the country side is very high in the Indian context, it is said that one-fourth of the city's population is never represented after 4-5 years of the census of population. The data about population is not strictly photogrammetric yet it can be estimated by residential area on the basis of homogeneity, street pattern and building layout. To estimate the population we have to find out total dwelling units in the residential area and also the occupancy rate. Estimation of urban population is an important component in plan preparation and it is the aerial photographs on large scale which can provide the desired data/information.

*Environmental Pollution:* Aerial remote sensing has also proved to be a useful instrument in detecting polluted areas. Special films, especially infra red and colour infra red, have been used in detecting polluted rivers, lakes and flow of sediments. Similarly, air pollution by factories can also be detected both by aerial photographs and satellite imageries. Thermal infra red sensors can produce photographs and imageries of urban areas affected by air pollution as the temperature of polluted areas is generally high than unpolluted areas. Hence we can have difference of tone. Therefore with the help of remote sensing technology data base regarding pollution in urban areas can be created if sequential infra red aerial photography and satellite imageries are made use of.

*Socio-Economic Milieu:* The socio-economic conditions of an area can be had from the aerial photographs, of course by indirect methods as these are correlated to the physical characteristics of the locality. The density of population, street pattern types of buildings and materials used in their constructions, road width, location of CBD, recreational areas and other facilities, slums and squatters are the parameters which go to explain the socio-economic conditions of urban population. Infact these conditions of an urban area can be extracted by studying housing conditions and location of work places. The distribution of population in CBD, multistoreyed structures, transportation network as seen in the residential area on the aerial photographs all depict the economic status of popultion. The features as they appear on the photos are to be correlated with socio-economic conditions by suitable ground truth and applications of statistical techniques. The ground truth has to be concentrated on the behaviour and social habits of population which will lead to higher side of accuracy.

*Land Information System for Regional Planning*

The primary source of LIS for regional planning in India has been the good coverage of general topographical maps of Survey of India on 1:250,000 and 1:50,000 scales covering whole of the country. These maps are also periodically updated with the help of aerial photographs but the additional information on vegetation cover, land use, geology and geomorphology, hydrology and land evaluation has always been lacking. With the advent of satellite remote sensing and constant improvement of resolution (TM-30M. spot 10&20M. and IRS 37M.) it has made the job of regional planners easier in collecting the desired data which were not available at all earlier to them. A judicious combination of topographical map, aerial photographs and satellite imageries can solve major problem of information/data at regional levels (Annexure 1).

*Forest Cover:* The use of aerial photographs and satellite imageries have opened up new vista in forest mapping. The pattern and boundaries of plant community can be observed and recognised better from a plane than ground. Thus, an aerial extent of vegetation can be had more accurately, reliably and easily with the help of remote sensing thereby giving more emphasis on ecological considerations in regional planning.

*Rural Land Use:* The data on the rate and kind of changes in the use of land resources is essential for proper planning, monitoring, conservation and management at regional level. The remotely sensed data especially satellite data offer an efficient and timely input to map-out not only the current land cover but also to monitor such a trend/pattern of use of land and suggest measures to conserve the environment which is the prime concern of regional planning. Computer aided interpretation of satellite imageries may yield better results in providing accurate information on land cover/land use rather than visual interpretation.

*Geology and Geomorphology:* The data on geology and geomorphology both at local and regional level are essential pre-requisites for urban and regional planning. In fact, both urban and regional planning have rarely taken cognizance of the geo-scientific data. The data on land forms, their types, slope, types of bed rocks, volcanic hazardous areas, mineral potential areas, presence of faults and neotectonics can be had with the help of remote sensing techniques. The above information is important for proper planning and thereby avoiding havoc in future.

*Water Resources:* Prior to the advent of remote sensing techniques, planners never had a better idea of water resources at regional level. They often used cadastral maps for planning additional water supply without having proper knowledge of spatial and temporal distribution of water. Satellite imageries also provide data on temporal variation of surface water bodies and their quality. Remote sensing has provided a new dimension in the assessment of water resources because of its synoptic coverage, real time data gathering system and computer capabi-

lity. It also provides data on census of water bodies, early warning of surface water depletion and regional targeting of ground water potential zones for additional water supply.

*Land Evaluation:* Land evaluation is defined as the process of assessment of the performance of land when it is used for specific purpose. Thus, suitability of land is assessed on the basis of the least suitable land quality. Suitability of land is generally qualified as highly, moderate, marginal and not suitable. Some of the land qualities that influence the suitability for urban and regional planning purposes are soil depth, texture, class of soil, soil strength, permeability and drainage, type of clay minerals, slope, depth of water table, land forms, flooding hazards and location. Thus, land suitability characteristics can only be studied with the help of remote sensing technology more easily than any other method.

#### CONCLUSION

From the above discussion it is evident that remote sensing technology has tremendous potential in developing a (LIS) for urban and regional planning. Satellite remote sensing in near future with improved resolution alongwith aerial photographs is bound to increase and prove its usefulness and authenticity in many planning activities. A judicious use of available levels of technologies is to be made as given in Annexure I. □

**Annexure 1****THE INFORMATION SYSTEM REQUIRED FOR URBAN AND REGIONAL PLANNING IN THE INDIAN CONTEXT****Data Needs with reference to Regional Context**

|                                       | (a) | (b) | (c) |
|---------------------------------------|-----|-----|-----|
| A. Regional Physical Setting:         |     |     |     |
| Topographic features                  | *   | *   |     |
| Geological base and mineral resources | *   | *   |     |
| Soil associations                     | *   | *   |     |
| Drainage pattern                      | *   | *   |     |
| Vegetation                            |     |     |     |
| Settlement pattern                    | *   | *   |     |
| Water bodies                          | *   | *   |     |
| Climatic conditions+                  | *   |     |     |
| B. Regional Economic Base:            |     |     |     |
| Agriculture                           | *   | *   |     |
| Forestry                              | *   | *   |     |
| Industry                              |     |     | *   |
| Construction material                 |     |     | *   |
| Commercial                            |     |     | *   |
| C. Transport and communications:      |     |     |     |
| Transportation network                | *   | *   |     |
| Condition of roads                    |     |     | *   |
| Traffic volume                        |     |     | *   |

**Data Needs with reference to Urban Context**

|                              | (a) | (b) | (c) |
|------------------------------|-----|-----|-----|
| A. Land Uses:                |     |     |     |
| Urban built-up land          | *   | *   |     |
| Residential                  |     |     | *   |
| Commercial                   |     |     | *   |
| Industrial                   |     |     | *   |
| Transport and communications | *   | *   |     |
| Public/semi-public utilities |     |     | *   |
| Recreational                 |     |     | *   |
| Open spaces                  |     |     | *   |
| Waste lands                  | *   | *   |     |
| Water bodies                 | *   | *   |     |
| Agricultural area            | *   | *   |     |

|                                | (a) | (b) | (c) |
|--------------------------------|-----|-----|-----|
| <b>B. Housing:</b>             |     |     |     |
| Quality of housing             |     |     |     |
| Housing density                |     |     |     |
| Type and structure of houses   |     |     |     |
| Height of structures           |     |     | *   |
| Dwelling unit size             |     |     | *   |
| Occupancy rate                 |     |     | *   |
| Tenure status                  |     |     | *   |
| Slum typology                  |     |     |     |
| <b>C Demography:</b>           |     |     |     |
| Population density             |     |     | *   |
| Age/Sex structure              |     |     | *   |
| Occupational pattern           |     |     | *   |
| Literacy                       |     |     | *   |
| Migration                      |     |     | *   |
| <b>D. Industrial Pollution</b> | *   |     | *   |

- (a) Possible with satellite data in conjunction with ground truth data.
- (b) Possible with aerial data in conjunction with ground truth data.
- (c) Not possible with remotely sensed data.
  - + Possible with meteorological satellites.

## *Book Reviews*

*Municipal Management and Electoral Perception*, ASOK MUKHOPADHYAY, Calcutta, The World Press Pvt. Ltd., 1986, pp. ix+149.

In the overall study of Government and politics in India, the study of Municipal Government and Politics has not received due attention. Undeniably, in the area of Electoral Perception of Municipal Management, there is dearth of systematic studies. From this angle, any attempt in this field is likely to be warmly received. The roots of democracy at the grassroots level cannot go deeper unless the electoral process is reinvigorated. Party politics is the corner-stone of the democratic process. It is an encouraging sign that the party politics has a definitive role to play in the municipal politics, at least, in some parts of the country.

All the same, it is politically significant to note that after a gap of more than 15 years, State-wide Municipal Elections were held only in mid-1981 in the State of West Bengal, although the State is rather politically more conscious as compared to most other states in India. The elections were held in as many as 87 municipalities in the State (p. 3). The present study is an outcome of the research based on sample survey of only four of these 87 municipalities in which the elections were held, namely, Bally Municipality in Howrah District, Kamarhati in 24-Parganas District, Krishnagar in Nadia District, and Tamluk in Midnapore District. The rationale behind Mukhopadhyay's choice of these municipalities for sample survey is the urbanisation level and social composition of these towns. These towns represent Class I, Class II and Class III municipalities; and the inhabitants belong generally to the middle and lower middle classes as well as the migrants from Bangladesh. The study is based on a small sample of only 260 of varying age group, educational background, occupational and income category.

It is a post-election study. The elections were held on May 31, 1981, whereas the research study was conducted between July 1981 and January 1982. Since it claims to be a study related to the electoral perception, the author would have done better had he conducted the survey in three phases, i.e., about a fortnight before the poll, during the

day of poll, and a fortnight after the poll. Instead of so doing a survey was conducted after the lapse of a month of the poll.

Secondly, the municipal poll was held on the political party basis with political ideological over-tones. Thirdly, neither parties nor personalities but issues were the main focus in election as it emerges from the election process particularly, slogans, posters, writings on walls, etc.

The Congress (I) gave a boycott call of this municipal election, yet, it was a highly politically-surcharged event. The participation in electoral contest was considerably high. Nearly 4,000 candidates contested the elections and about 60 per cent of them contested municipal elections for the first time. The average voter turn out in the 87 municipalities taken together was about 65 per cent. Evidently, the vote and seat (won) ratio in this municipal election in West Bengal continues to remain highly disproportionate. By securing 40 per cent of the total votes polled, the Left Front and Allies won 63 per cent of the total seats.

The study mentions that the shaping of the electoral perception is directly related to educational and income levels of respondents, their access to communication system (radio, TV, newspapers, etc.), and level of urbanisation. Another interesting observation is that "...elective leadership of the municipal government in West Bengal is basically controlled by the middle aged, educated, low income bracket males, and most of these leaders are either service holders or professionals, people like teachers, lawyers, doctors and journalists" (p. 90).

The study truly brings out valuable background information about urban politics. The Left Front gained in two industrial towns located within Calcutta Municipal area (Bally and Kamarhati), but was electorally disappointed in non-industrial old town dominated by middle class people (Krishnagar) (p. 97). But why?

This study really provides support for a theory of Municipal Government as a self-governing community where local service and local influence count. The political socialisation process in the urban area in West Bengal does not seem to have the same social characteristics as in most other parts of the country. Caste or community consideration as a criterion of electoral choice does not seem to have any positive influence on the voting behaviour in municipal elections in West Bengal, as it does seem to have in Rajasthan, as is evident from the research study done more than a decade ago by Bhambri and Verma.

In the Indian situation, relatives and acquaintances in the locality seem to be much more effective as agencies of electoral socialization in municipal elections as compared to the institutional agencies like Radio, TV, Newspapers, etc., but data collected through the conventional methodology of working through questionnaire do have limited utility in supporting this.

Basic electoral issues top in the minds of voters in municipal elections

are road development, public health, civic amenities, and not larger socio-economic, political and administrative issues. The municipal leadership in West Bengal seems to have been in the hands of middle aged, educated males, who are in the lower income brackets and most of whom are drawn from the ranks of service holders or professionals. This appears rather absurd that Mukhopadhyay should compare findings of his study on four municipalities of West Bengal (1981) to the findings of Kistaiah on his study related to Andhra Pradesh, and Plunkett on his study on Rajasthan made almost 10 years earlier than the present study. However, Mukhopadhyay's research into the question "who governs urban community" as far as the four municipal towns are concerned is a significant piece of enquiry. But the broad generalisations on the basis of selected samples from four municipal towns, seem to be somewhat overdone or even deceptive. It would have been better had the author avoided the pitfalls of over-generalisation with his skeletal data and statistics. Out of over 2,000 municipalities in India, research data related to only four municipalities cannot be considered to be adequate to answer the question "who governs urban India", yet this question seems to have been answered as far as Mukhopadhyay's study goes. This may be taken as a starting point for studies to be undertaken in all other states in India, but it is sad that the process of governance and politics gets bogged down in the continuous current of supersession of elected municipal government time and again. Power and authority have remained centralised in the states.

Another exciting question related to municipal government is the degree of interest and concern of the urban community in the process of governance for the sake of improving the quality of their civic life. The community's unconcern may quite likely lead to the present situation of supersession of the elected government.

The administrative and managerial ineffectiveness of municipal bodies may be another reason of community's unconcern. There may be a number of other reasons which need to be continuously researched. Particularly, in the light of observations made by the Rural Urban Relationship Committee of the Government of India (1966) in their report that "most of the local bodies... are torn by party factions, and do not devote their time and energy to serving the people" [Report of the Rural Urban Relationship Committee (p. 111)], the community's responsibility to municipal government and administration has increased manifold. The author is right when he says that new pattern of electoral politics in municipal management in West Bengal seems to "usher in a new kind of urban politics in India by assuming a party political orientation. The individual-centred group politics within municipal council has widened into politics with political party orientation. A more partisan and ideological politics is likely to be the nature of

municipal politics." But all these need systematic investigation. The author says that "evidence shows that female voters are no longer the carbon copies of their male relations" (p. 106) is a presumption without any evidence in this monograph. The involvement of 18 year-old people through legal enfranchisement seems to have had its impact on municipal elections in West Bengal. What impact it will have on the elections in the national and state politics remains to be seen.

All in all, Mukhopadhyay's book is a significant piece of research on Municipal Government and politics in West Bengal.

—R.N. THAKUR

*Managing Urban Development*, H.D. KOPARDEKAR, Bombay, All India Institute of Local-Self Government, 1987, p. 285.

In managing urban-development, the integration of shelter, infrastructure and services and their location and distribution with adequate planning and human resource development combined with appropriate choices between alternative combinations of inputs, norms and standards, material and technology for an efficient development becomes a dire necessity. Keeping this in view, the book seems to be a nice collection of articles written at different periods of time with different objectives and in different context which have been brought together under the banner of "Managing Urban Development". It provides food for thought in organisation and management of urban development in a developing economy like India.

The text of the book is covered under sixteen titles chapterised as: context of urbanisation trends for urban management; urban development; planning and other approaches; managing urban local government in India; development management approach for planned urban development by municipal bodies and development authorities; urban financial management; urban land and estate management; shelter for urban poor and role of urban local bodies; urban transportation and traffic management; water supply management in cities and towns; theory and practice in costing, accounting and need for a new approach; urban and regional information system for local bodies and housing development authorities; use of computers in urban management; innovative low cost solutions to urban problems; use of corporate management techniques in urban problems; urban conservation and environment; public accountability of public utilities; and training for urban development.

Each chapter has its own objectives and focus. Had the author planned the theme of the book with a definite focus on urban management as such, presumably, the author could have given a more compre-

hensive treatment to each aspect of the subject. Some of the chapters have regional/local focus. Even then, it is a modest approach and good attempt by the author to bring about various issues involved in urban development. The book can serve as a useful reference material to those involved in the management of urban affairs.

On the whole, the convincing arguments belie all hopes of good presentation when the reader finds a number of printing errors. This reflects on the neat print and inviting get-up. Moreover, it requires thorough editing of the next print and commissioning of an index which might enhance the value of the book further.

—R.K. WISHWAKARMA

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## *Editorial*

**S**TRENGTHENING OF urban local bodies has inevitably acquired political overtones in the recent times. The problems of urban areas as well as the structure and composition of municipal bodies, their functions and duties, and their resources have been the subject of discussion and debate in various forums. The National Commission on Urbanisation has given detailed recommendations about the measures required for strengthening the management and administration of urban government institutions. In various *Nagarpalika Sammelans* organised at Delhi, Bangalore and Cuttack, such issues have been debated a lot. However, the outcome of all these efforts has evidently been unable to pin-point the basic reasons why existing urban local bodies have failed to function effectively.

The urban local bodies who derive their powers from the State under specific statute and notifications have no inherent constitutional rights or functional and financial jurisdiction of their own. It was in this context, the Government introduced the Constitution (Sixty-Fifth Amendment) Bill, 1989. But the Bill suffered a defeat in the *Rajya Sabha* due to differences among the political parties. The opposition members, although they welcomed the provision of the Bill, apprehended the encroachment of the Centre on State autonomy. However, it may appear necessary to strengthen local government which would counteract the increasing trends of centralisation in the working of the states. The Bill aims at setting out certain uniform criteria for the functioning of urban local bodies that would help to curtail excessive interference by state governments in their functioning. This is specially necessary for such bodies in smaller towns and cities which do not have the legal safeguards for their autonomy in contrast with larger corporations. However, in an effort to limit the state government's ability to interfere, it is not necessary certainly to create channels for Central interventions.

The proposal to ensure that supersessions are not frequently resorted

to, is welcome, especially when about 40 per cent of the urban local bodies stands suspended. Of them, 60 per cent has not been functioning for one to three years, 30 per cent for three to five years and the rest for five to 15 years. This dismal scenario is the direct consequence of the clash between the state governments and the local bodies, especially when these are two opposing political groups in power.

The general position with regard to the financial resources of urban local bodies is far from satisfactory. There are today a few municipalities that are able to provide a satisfactory level of civic services, the non-availability of adequate resources is always imposing a serious constraint on their capability to deliver the goods. In per capita terms, their services have shown virtually no increase over the years. The problem is aggravated by the failure of most municipalities to levy, assess and collect their taxes in full. Rates of tax collections have been low. In fact, if the municipalities collect the taxes fully, the picture of urban resources would change drastically. Besides, the municipal bodies have not been able to make use of user charges as a method of improving their financial base. State governments too have made inroads into their financial base without correspondingly institutionalising their grants-in-aid system. It is against this background that the issue of strengthening the financial base of municipal bodies has to be examined.

The special number on "Strengthening Urban Local Bodies" has been devoted to highlight areas where strengthening is most needed for a proper and efficient functioning of these bodies. It covers a wide gamut of subject areas, viz., constitutional protection, state-municipal relations, structure, functions, management, personnel policies, relationship between executive and deliberative wings, financial resources, interfaces between rural-urban governments, citizens' participation, and training for municipal staff. The Constitution (Sixty-Fifth Amendment) Bill, 1989 as passed by the *Lok Sabha* on August 10, 1989 is appended along-with a select bibliography on the chosen theme of this special issue.

Gangadhar Jha traces the decline of urban local bodies from Lord Ripon's concept of "political nursery" to the present morbid state by analysing the factors which have been instrumental in weakening the urban local bodies. He argues that the situation has reached a stage where a cosmetic approach of introducing reform within the existing framework of municipal administration is not likely to yield positive results. He, therefore, advocates constitutional protection for the urban local self-government units so as to enhance their functional capabilities.

Justice V.R. Krishna Iyer while underpinning constitutional draw-back in the distribution of power between Centre and States, in his forceful and eloquent style, advocates constitutional recognition to the urban local bodies for statutory delineation of their powers, functions and resources.

L.N P. Mohanty suggests a balanced State-Municipal relationship. For that it is necessary that the State government should lay emphasis on guidance, research, advisory and consultancy services, technical assistance and training programmes whereas on the local government side, the stress should be laid on procedures to the end that decisions can be made and implemented efficiently. Since urban local bodies are the sub-system of a political system, the system should impose a pattern of uniformity of standards of performance by exercising its legal regulatory powers on the sub-system.

D.S. Meshram and R.P. Bansal while referring to various *Nagarpalika Sammelans*, mention three specific issues. These are concerned with the criteria for the establishment of municipal bodies; their reclassification on the basis of population, income and other relevant issues; and the desirability of a single tier or two-tier administrative structure for various municipal bodies.

A. Malla Reddy while enlisting various obligatory and discretionary functions of urban local bodies stresses the need for adding new functions like guiding the citizens in building their houses, strengthening the public health services, providing environmental inputs and extending social welfare and recreational facilities. In addition, he also suggests different measures to improve the functioning of these bodies.

Mobilisation of private and public resources in an innovative way for city development is one of the major tasks facing the urban local bodies. According to S.K. Sharma, this is not only a matter of pumping in finance and providing more teeth to municipalities in legal terms, but also inculcating a development approach to make them self-sustaining after sometime. C.S. Chandrasekhara stresses the need for improving quality and efficiency of municipal management. Improved management involves restructuring and reorientation of the deliberative wing of the local body as well as its executive wing. In this process, the essential functions of the local body required to be identified and the manner of discharging these functions, the tools by which the task can be carried out and the administrative and financial procedures required to carry out management tasks effectively are recast with an innovating awareness of current day problems.

Raj Nandy explores possibilities of restructuring and improving municipal personnel system in India. The repeated calls for adoption of the unified and integrated approach by different committees, have had no impact. He suggests changing the policies and attitudes of state governments, designing training programmes systematically, and improving personnel management policies and practices both at the level of State Directorates of Local Bodies and the municipalities. However, the success of these endeavours would be defeated if these measures are not seriously administered by men of ability and integrity at the top.

Vinay D. Lall underlines strategies to improve the financial flows to urban local bodies. After estimating urban infrastructure finance demand and setting out objectives of the concerned institute, he explains the process of establishing an Urban Infrastructure Finance Institution during the Eighth Plan period. P.S.A. Sundaram also calls for the establishment of an apex institute like National Bank for Urban Development (NABUD) which can be the source of long-term funds for municipal finance and which can be entirely devoted to the financing of urban development and municipal infrastructure. O.P. Bohra in his article outlines proposal to improve financial relations between urban local bodies and Indian States.

S.C. Jain considers it necessary to examine the issues of design of local government organs in the perspective of basic changes in rural-urban relationship pattern so that the structures promote and channelise forces of desirable growth rather than frustrate the basic goals of policy.

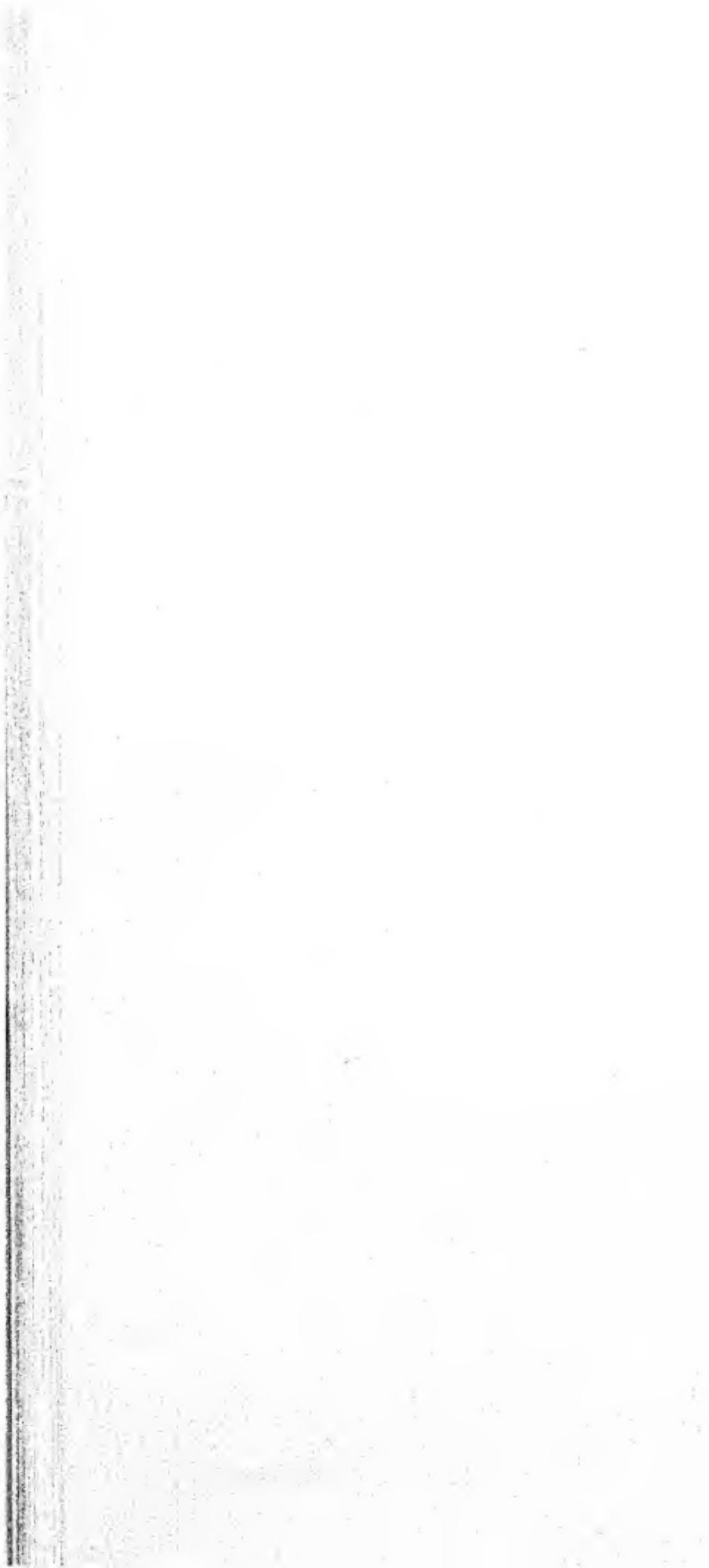
P.D. Karandikar observes that the tendency to find technological solutions to socio-economic problems in a centralised planning environment is still present but the role and efficiency of participative mechanism are gaining increasing recognition. However, the modalities and extent of coopting of communities and Non-governmental Organisations in the decision-making process are perhaps still a matter of debate and experimentation, primarily due to the vested interests that perceive participation as a destabilizing force capable of altering power relationship. A concensus is certainly emerging in the direction of adopting more participative styles of development administration.

The awareness about training has grown recently. However, basic approaches in this regard are either based on the routine academic or the university education or training approaches in the industry and business. H.D. Kopardekar reviews the training situation in India, discusses the international perspective and suggests an action agenda for designing and implementing new training programmes in such a

manner so that the participants understand and identify the situational requirements, initiate development activities and maintain services in the context of these requirements. Mulkh Raj, in the light of implementation of programmes like urban employment, urban shelter upgrading, urban poverty and urban basic services, poses a question whether municipalities are ready to bear the brunt of such responsibilities? Also, he provokes scepticism from those convinced about the inability of the municipal staff, municipal procedures and municipal management to come up to the expected levels of performance. For that he underlines certain measures necessary to develop the skills available at the municipal level and improving the scale of government funding to meet the training and retraining requirements of municipal staff.

H.U. Bijlani and P.S.N. Rao provide an insight into the role and function of public agencies in the context of societal needs of the present and foreseeable future with special reference to water supply and sanitation. The article examines the nature and extent of people's access to these services and outlines approaches which can effect a substantive tilt in the government response towards creating more livable environment.

—Editor



# *Constitutional Protection to Municipal Authorities: An Overview*

GANGADHAR JHA

THE MUNICIPAL authorities are vested with the responsibility of providing and maintaining civic services for the urban population. The increasing pace of urbanisation has been putting tremendous demand on them for the augmentation of services and amenities. However, the municipal authorities are not in a position to effectively perform their functions. This is obvious from the deficient civic services, agitation and violence in the streets of towns and cities arising out of inadequate urban services, no-tax-campaign by the citizens, strictures from the courts of law for non-performance of the civic bodies and supersession of a very large number of them. This miserable plight of the municipal bodies has been brought about by a host of factors.

The article, therefore, analyses the factors which have been instrumental in weakening the urban local self-government units over the years. It argues that the situation has reached a stage where a cosmetic approach of introducing reforms within the existing framework of municipal administration is not likely to yield positive results. It, therefore, advocates a constitutional protection for the urban local self-government units. As an attempt was made recently in this direction, it evaluates the efficacy of the Sixty-fifth Constitutional Amendment Bill in enhancing the functional capabilities of the urban local bodies.

## THE EMERGENCE AND DECLINE OF MUNICIPAL AUTHORITIES

The urban local self-governing institutions in India owe their genesis to Lord Ripon's Resolution of May 18, 1882 when for the first time an organised system of urban local bodies was constituted in India. Lord Ripon had transplanted this important democratic device at the local level into the Indian urban settlements with an avowed objective of making them a forum and "an instrument of political and popular education". This objective later on paid rich dividends as a galaxy of very eminent political leaders like Gokhle, Bal Gangadhar Tilak, C.R. Das, Subhash Chandra Bose, Pt. Nehru, Dr. Rajendra Prasad and

many others emerged on the national horizon only from the municipal arena.

However, the rosy hopes of Lord Ripon evaporated soon after the Independence. The municipal authorities went into oblivion and have become not only static institutions, but they have declined tremendously. As a consequence of this, they are not at all in a position to deal with the dynamic growth created by the process of urbanisation and urban growth. The decline from Ripon's concept of "political nursery" to the morbid and static organisation is so pervasive that the municipal authorities have come to acquire a negative connotation and is being identified with everything that is inferior and second grade. The decline has been brought about by several factors.

#### *Undefined Role*

Even though serious attempts were made by Lord Ripon and the Montague-Chelmsford Reforms of 1919 to define the role of urban local self-governing institutions, it is still hazed in the post-Independence official thinking. If we look back into the colonial rule, there ensued a prolonged debate to assign the type of role to them. Till seventies of the 19th century, the official thinking during the British regime was that the local authorities should play the role of promoting administrative efficiency in public administration. This shifted, in the wake of Lord Ripon's Resolution to making them nurseries of political education. This debate again tilted in favour of "administrative efficiency" after the Royal Commission on Decentralisation which was appointed in 1906. The political ideal, however, again came to the fore in the wake of Montague-Chelmsford Reform of 1919. This debate came to an end after Independence. In post-Independence India there does not appear to be a clear stipulation of the role to be played by them. Though there is mention of local bodies in the Five Year Plans and their problems have been examined by a couple of Commissions and a few Committees, Task Forces and expert groups, the primary emphasis has been laid down on promoting a viable system of government in rural areas with specific ideal of "development from below" and "a people's programme with government participation". The urban local self-government has not been assigned any specific role nor they have been recognised as a separate tier of self-government in the Indian Constitution. The post-Independence enactments have simply assigned them some obligatory and discretionary functions. These enactments do not define the role of urban local government.

#### *Erosion in Functional Domain*

Even within the statutory framework of functions given to the urban local government units, there has been considerable erosion in

their functional domain over the years. This is manifested in the encroachment by the state government departments into the legitimate municipal function and creation of specific purpose authorities and urban development authorities. These have taken over functions like planning and development of areas, water supply, sewerage and drainage, etc. This has been done on the plea that the municipal authorities do not have the capabilities in terms of expertise, financial resources and organisational culture. But when the new special purpose authorities are created, they are sufficiently strengthened with funds and qualified personnel. The same input if diverted to the local bodies, would have substantially strengthened them to undertake any task equally efficiently. The Bombay Municipal Corporation (BMC) stands a testimony to this. By virtue of its organisational strength, it has been so far able to keep the BMRDA at a distance even in the realm of town planning and urban development. The New Delhi Municipal Committee again has demonstrated that with organisational strength, even a small civic authority could do wonders.

#### *Inadequate Resource Base*

The inroads into the municipal functions, to a very large extent, is due to a very weak local fiscal health which does not enable the municipal authorities to perform even the core municipal functions which are obligatory in nature. The urban local bodies have been living in a peculiar situation. Whereas, on the one hand, the increasing role of urbanisation has been adding to the demand for civic services, the local resource base, on the other hand, has been shrinking. From a couple of recent studies of municipal finance and an earlier study by a Committee of Ministers (Zakaria Committee), it is found that the share of municipal sector in the total public sector expenditure has declined from eight per cent in 1960-61 to 4.5 per cent in 1977-78. According to the Planning Commission's Task Force Report on Financing of Urban Development, the tax revenue of municipalities has been depleting. This has forced them to deliberately handover some of the functions to the state level organisations and departments. Hospet city municipality in Karnataka, for example, was compelled by financial stress to request the state government for taking over of education and public health. Water supply already taken over by the state level authority, there hardly remains anything worth calling it a local self-government. This is the story of myriad municipal authorities all over India. The fiscal stress has acquired situation of a crisis.

This is due to limited tax powers delegated to them, state encroachment over the limited resource base, depressing effect of Rent Control laws on property tax yield and the contemporary zeal being exhibited by the states in abolishing a lucrative and elastic source of revenue—

the Octroi. The state encroachment over local revenues is manifested by taking over of Professions Tax by the state governments in Karnataka, Haryana, Madhya Pradesh, Meghalaya, Nagaland, Tripura and West Bengal. Till recently even the Property Tax which is a major source of local revenue, was taken over by the state government in Madhya Pradesh. In some states there is the practice of imposing urban land tax on the same tax base which affects the local resource mobilisation from Property Tax.

#### *Weak Executive System*

The executive system especially in the municipal corporations and municipal councils in the southern states is highly fragmented as it is based on the notion of separation of executive powers and functions. The executive powers vest in the council and its executive committees but the entire executive functions are performed by the Commissioner who belongs to and is appointed by the state government and Executive Officer—an appointed functionary in the municipal councils in south Indian states. The executive system is thus highly centralised and well within the control of state administration. Even though the dominant and bureaucratic role of the District Collector was withdrawn from the municipal authorities under the Montague-Chelmsford Reform of 1919 for making them really democratic self-government institutions, the dominant executive powers of the appointed bureaucrats (Municipal Commissioner in Municipal Corporations and Executive Officer in South Indian States) has led to the erosion of local democracy and self-rule. Only in the eastern states like Bihar, West Bengal and in some of the western states like Maharashtra and Gujarat the executive powers and functions vest in the elected representatives—the President or the Chairman of the Municipal Councils.

Thus in a majority of municipal authorities the executive system does not conform to the notion of self-government. Only recently the state of West Bengal has introduced a Mayor-in-Council form of local self-government for Calcutta and Howrah which is based on a strong Mayor System vesting the entire executive function to the elected Mayor.

#### *Extensive State Control*

Urban local bodies being the creatures of state governments, are under extensive state control and supervision. This does not really conform to the autonomy which is the *sine qua non* for a unit of "self-government". Barring the municipal corporations which enjoy relatively more autonomy, the other varieties of local bodies, viz., Municipal Councils, Notified Area and Town Area Committees are subject to elaborate control system of the state governments. The District Collector and also the Commissioner have extensive supervisory power over

them which is frequently applied by way of inspection, calling of records and issuing of instructions for performing the civic functions. Above them, the state governments possess overwhelming powers of control and supervision in the matters of appointment as also approval of appointments for higher posts, creation of new posts, approval of contracts and estimates of higher values, sanctioning of estimates of budgets, framing of bye-laws and rules and their approval. Financial control includes control over imposition of new taxes, approval of tax rates and control over expenditure. It seems incredible that they do not have the powers to approve their own budget and decide the tax rates. Even the municipal corporations are required to obtain state approval of expenditure beyond certain limit. In Kerela, it is Rs. 100,000, in Andhra Pradesh, it is 50,000 and in Himachal Pradesh, it is Rs. 20,000. In the case of municipalities the limit is much less. In Tamil Nadu, for example, expenditure exceeding Rs. 8,000 is to be approved by the state government.

The powers of control also include inspection, calling for information and reports and giving directions and conditional grant. The state governments possess the powers of recession even of resolution passed by the municipal authorities, removal of its members and finally, supersession and dissolution. But as the latter requires to hold an early election, generally the state governments have been extensively using the powers to supersede. In 1981, as many as 1700 municipalities out of a total of 2000 did not have an elected council. Out of 62 municipal corporations, as many as 41 were superseded in 1983.

The control system is so pervasive that one starts doubting if the civic bodies are really the embodiments of self-government. The abounding regulatory and punitive provisions in the municipal enactments smack of the French system of administrative tutelage.

#### *Defective Personnel System*

The personnel system in the civic authorities is based on integrated system in a large number of states where the civic authorities do not enjoy powers to hire and fire. This has led to lack of motivation and decline in work culture.

#### REFORMING URBAN LOCAL BODIES

It should be obvious that the erosion in municipal functional domain, weak local resource base, executive system, extensive state control and deficient personnel system have led to the decline in the status of urban local self-governing units. The decline has led them to lose their legitimacy to a very large extent. On the other hand, they are called upon to service the ever increasing population so that the urban

population is able to have even a basic minimum level of urban services. By providing the urban infrastructure, they are required to act as instruments of economic activity and engines of economic development. They are in fact required to promote a sound tradition of democratic way of life at the grassroot, to bring about social development by integrating together various fabrics of social and cultural life and to initiate and enhance economic development by strategic planning and administration. Presently, they are not in a position to do these things. In years to come the pace of urbanisation is expected to make their task much more complex and difficult if the steps are not taken in right earnest now to strengthen the urban local bodies. Even during 1971-81, the addition of about 50 million people to India's urban population was equivalent to the urban population of the entire world except those of USA, USSR, China, Brazil and Japan. If these local governing institutions are not strengthened, the deprivation of urban population from even a modicum of urban services is likely to create situation of a crisis as was seen in Calcutta in the sixties.

But what is important is to push through radical reforms for redeeming the declining self-governing units. A cosmetic approach tried in the past has not yielded any result. Reforming of Urban Local Institutions (ULIs) is relatively complex as compared to the Panchayati Raj institutions. It has to embrace the whole gamut of functions, resource, executive, control and personnel system.

#### *Policy Options*

There are three options to strengthen the Urban Local Institutions (ULIs) : (1) Reforms in the existing system, (2) giving a co-ordinate status to them, and (3) bestowing an independent form to them. Let us see what are the trade-offs between these options.

The first option (reforms within the existing framework) has not brought any perceptible improvement in the functioning of the civic authorities, as it is based on cosmetic approach and basically proves to be a mere holding-on operation. Since Independence, a number of areas of reform have been identified by the Local Finance Enquiry Committee 1951, the Taxation Enquiry Commission 1953, the Zakaria Committee 1963, the Rural-Urban Relationship Committee 1966, the Study Group on Constitution, Power and Laws of Urban Local Bodies and Municipal Corporation, 1983, the Task Force on Housing and Urban Development in its Report on Financing of Urban Development 1983, myriad national conferences, seminars as also the annual Urban and Housing Ministers' Conference and the All India Mayor's Conferences. Moreover, the various state governments have also constituted committees and expert groups which have given valuable suggestions for reforming the existing chaotic system of municipal government. But a positive res-

ponse to give an operational form to these useful suggestions is yet to come. Above all, as these have been conceived within the existing system of urban government, they seem to be a mere holding operation. The maladies afflicting the urban local bodies require to take radical and bold steps.

Conferring a cooordinate status seems to be an ideal option. However, the existing political milieu would not permit this radical step of taking the municipal government out of the state arena and making it a constitutional entity so that the Indian Federal system would consist of three tiers of government, viz., Central, State and Local. Persisting demand made by the state governments for more autonomy, powers, functions and finances will probably not permit to create altogether a new level of government which will reduce the powers of the state governments.

The independent status seems to be attractive on many counts. With a well defined functional domain, earmarked sources of revenue adequately in relation to the functional responsibilities and judicious and objective direction and control by the state governments could enable the local governments to function effectively and independently within the defined functional and financial limits. A system of prudent supervision and control could also ensure responsibility accounting on the part of local bodies. An independent status could also provide a good blend of independence and accountability. However, left to the state governments, this is not expected to actualise because of the lukewarm and indifferent attitude of the state governments. Therefore, the independent status needs to be given to the urban local self-government units by providing for it in the Constitution of India itself. This needs to be done by delineating local functions, local sources of revenue, rationalisation of existing *ad hoc* and chaotic system of fiscal transfers and devolution of funds and modifying the existing executive system. These need to be spelt out in the Constitution of India itself so that the local self-governments derive their powers, functions and the very existence from the Constitution. Before spelling them out further, let us look at the proposed Sixty-fifth Amendment Bill, which somehow fell on the floor of the Indian Parliament.

#### *The Sixty-fifth Constitution Amendment Bill*

The Sixty-fifth Amendment Bill, no doubt, was a very important milestone in the development and strengthening of urban local self-government. Ever since the enactment of the Government of India Act 1935, during the colonial rule when the local list containing the sources of local revenue as introduced in the wake of Montague-Chelmsford Reform of 1919 was done away with, there has been a clamour for giving a constitutional status to the municipal authorities. The Central

Council of Local Governments and Urban Development constituted by the President of India under Article 263 of the Constitution and consisting of local self-government ministers of various states has, ever since 1970, been adopting resolutions for according constitutional recognition to the urban local bodies for statutory delineation of their powers, functions and resources. Likewise the All India Council of Mayors has been constantly resolving for inserting a Local List in the Seventh Schedule of the Constitution so that the provisions made earlier in the Government of India Act 1919 could be restored. Recently the National Commission on Urbanisation has suggested to take shelter under Entry 20 of the List III for enabling the Central Government to take requisite steps for strengthening of urban local bodies. It also suggested to amend Articles 280 and 281 for constitution of the Finance Commission by the state governments on a regular basis.

Viewed in this context the Sixty-fifth Amendment Bill seemed to be the actualisation of the prolonged debate for strengthening of civic authorities. However, in its content and form, even if the Bill was adopted by the Parliament, it would not have made perceptible change in the functioning of civic authorities because the capabilities of the local bodies depend on the extent to which the structure, powers and functions, resources and management capabilities, among other things, are going to be different from what it has been in the past.

### *Structure*

The local self-governments are said to be the grassroot levels of governing institutions where the interface between citizen and government is very close. The existing structure has, however, obliterated this proximity especially in the Class I towns and metropolitan cities. Consequently, the town-hall stands alienated from the citizens. Even though attempts have been made in some of the metropolitan cities like Delhi and Bombay to decentralise local administration by constituting Zonal Committees and in Baroda by creating Ward Committees, the distance has still continued to persist. The Sixty-fifth Amendment Bill, by providing three types of urban local bodies, *viz.*, a Nagar Panchayat in a 'transitional' area from rural to urban with a population of 10,000 to 20,000, Nagarpalika in towns with a population of 20,000 to three lakh and Municipal Corporation in the cities with a population of more than three lakh, has tried to reduce this distance. The distance is further intended to be reduced by decentralising Nagarpalikas up to the ward level by constituting Ward Committees for two or more wards and providing for a three tier local self-government in cities of more than three lakh, *viz.*, municipal corporation, zonal committees and the ward committees. The proposed structure is thus expected to have a positive impact in bringing local government to the door steps of the citizens.

### *Powers and Functions*

The Bill listed a long list of functions to be devolved to the urban local bodies and for this it appended a new Twelfth Schedule. The functions listed included even preparation of plans for economic development and social justice as well as for implementation of various development schemes. But having done this, it left on the state governments to provide for the actual devolving of functions to the local bodies. The state governments, based on the experience in the past, are unlikely to provide for an elaborate function to the urban local bodies. One could argue that since the functions have been provided for in a new schedule of the constitution of India itself, the state governments will take due note of it when pushing through new enactments in this regard. However, instead of leaving it at the discretion of state governments, the extent of relevant local functions could have been provided for in the Constitution in unambiguous and unexplicit terms. As this was not done, the proposed amendment is unlikely to have any dent on the problem.

### *Resources*

Devolving of functions without devolution of adequate sources of revenue will not, on its own, be able to enhance the organisational capabilities. Though the Bill listed a very wide range of functions to be performed by the urban local bodies, it is completely silent on the revenues to be devolved to them. It only talked of setting up of State Finance Commission on a regular basis which will suggest the principles governing the determination of taxes, duties, tolls and fees to be assigned to or appropriated by the Nagarpalikas, the distribution of net proceeds of taxes, tolls, duties and fees between the state government and the Nagarpalikas and also the grants-in-aid out of the consolidated fund of the state. This idea we have been toying since 1966 when it was suggested by the Rural-Urban Relationship Committee. It was tried to be effectuated by providing for this in the Indian Constitution. To this extent it is a welcome development. The Bill should also have listed the local sources of revenues for the Nagarpalikas so that the state encroachment on it could have been prevented and the local bodies would have got an exclusive area of local taxation.

### *Executive Systems*

This was not even peripherally talked about in the Bill. It has been an anathema that despite calling them the units of local self-government, the entire executive functions in the Nagarpalikas vest with an appointed bureaucrat. The elected functionaries who happen to be the representatives of the local population are silent spectators. The Chief Executive Officer in Municipality and the Commissioner in Municipal

Corporations are appointed by the state government and hence are not responsible to the council with the result that the people's representatives and the executive officers are constantly at the logger heads. Thus a valuable opportunity for installing a political executive was lost in the Bill. West Bengal is the only state where executive functions have been given to the political functionaries by introducing the Mayor-in-Council form of local self-government in Calcutta and Howrah.

It should be thus obvious that vital areas of reform were left virtually untouched in the Sixty-fifth Constitutional Amendment Bill. Though the Bill could not be adopted, it needs to be emphasised that the idea of providing constitutional protection to the Nagarpalikas is still relevant and important. The increasing pace of urbanization has inevitably to be given a strong organisational support for provision of urban services and infrastructure. The urban local bodies are not in a position to perform this role. Their organisational capabilities have to be enhanced by providing them constitutional protection. This needs to be done by delineating the local functional domain, the local sources of revenues, by providing for political executive system and a rational scheme of fiscal transfers and devolution of funds from the higher echelons of government. This is absolutely necessary for strengthening of local government in urban areas. If left to the state governments for incorporating the areas of reforms in state enactments, it is not likely to materialise. The state governments have been rather too conscious of their autonomy and share in the buoyant central taxes; they are not disposed to look at the miserable plight of the local bodies. The areas of reform discussed in this article need to be operationalised by providing for these in the constitution of India itself. □

## *The Urban Units of Self-Government— A Constitutional Cinderella*

V.R. KRISHNA IYER

“GOVERNMENT OF the people, by the people, and for the people, shall not perish from the earth”, was the soulful wish of Abraham Lincoln. A dialectical grasp of the implications of this proposition drives us to the growing reality of escalation of urbanisation and the management of municipal units. India, like the rest of the world, is steadily moving from village to town. The urban universe, therefore, deserves our democratic focus in the matter of self-government. And yet, to date, municipal democracy is the cinderella of constitutional law. In the current developmental era of our country it is a spinal weakness of our system of government that “the petty done, the undone vast” is the stark truth regarding progressive participation of the urban people in local administration. The founding fathers of our Constitution were carried away by the dichotomy of Centre and States in the distribution of powers and left panchayats and nagarpalikas orphaned. Gram Swaraj and Nagar Swaraj are models of mirage and hence there is a strong case for a national debate on the democratic calculus of local self-government, *vis-a-vis*, constitutional autonomy and authority. Mahatma Gandhi, whose call for Panchayati Raj was anathema to Oxbridge elitists in British India and allergic to the post-Independence counterparts, is still an uneasy and distant national memory. He spoke of India as living in its villages and Bharat Swaraj in terms of Gram Swaraj, although lip service is given to him in the Constitution by an anaemic article. Article 40 reads:

*Organisation of Village Panchayats*—The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

As our weary century, hungry in its rural demography developed the syndrome of trek to towns from countryside. This common phenomenon in India and elsewhere of neglect of villages claimed the price of transfer of populations. “As rural migrants left their exhausted

soils, dwindling holdings and decreasing employment, the Third World's cities swallowed them until they were bursting at the seams".<sup>1</sup>

Our policy makers were illiterates or indifferent in terms of this facet of social development. As Paul Harrison puts it:

Independence brought no change of approach: the Westernized elites who ran the new governments had as their main ambition to extend the modern sector. They concentrated on modern capital-intensive industry, which cost a great deal and, therefore, could provide few jobs. In the housing sphere they built housing to excessive Western standards which only a small minority could afford.

And so the cities could not employ or house the millions which their privilege attracted to them like a magnet. Every Third World city is a dual city—an island of wealth surrounded by a black belt of misery. Outside the bright, shining modern city of skyscrapers, fly-overs and desirable residences, the poor are camped in squalor, disease and neglect, in shacks and hutments of plywood, cardboard, mud or straw, usually without clean water, sewers, health centres, schools, paved roads or paying jobs. More than two fifths of city dwellers in developing countries live in squatter or slum areas, and these are growing at twice the rate of the official, modern cities they surround. Their residents live largely neglected by government. The informal trades and manufactures in which they employ each other have to fight against government indifference or even harassment. The shanties that house them get no services; indeed the response of many governments to the problem has been to demolish them, thereby destroying jobs and communities, and replace them with lower-density, higher-rent housing zones from which industry is banned. This conventional approach to slum attacks the symptoms, but leaves the disease untreated to break out again elsewhere. It is a strategy that cannot work.<sup>2</sup>

The escalating challenge of urban aggregations demanded a new dynamism in participative democracy with have-nots in harrowing hutments and poignant pavements have a creative part in the economic and political shaping of urban destiny, direction and destination. But drift, unconcern and bull-dozer bureaucracy's knee-jerk responses were all that happened.

Although Nehru, Patel, Rajen Babu, Rajaji and a host of other patriots had, in the days of national struggle for Independence, personally experienced the futility of municipalities, and were convinced about

<sup>1</sup>Paul Harrison, *The Third World Tomorrow*, p. 108.

<sup>2</sup>Ibid., p. 109.

delegating more powers at that level in the interest of planning and development, but when it came to making the Constitution, they somehow for-got the imperative need of strengthening urban democracy save through a casual inclusion in the State Legislative List of item 5 (Schedule VII) which mentions:

Local government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district boards, mining settlement authorities and other local authorities for the purpose of local self-government or village administration.

This neglect of the resources of urban humanity in the governance of municipality to metropolis has alienated large chunks of city dwellers as voiceless people condemned to agitational noises if even elementary amenities like housing, light and water are arbitrarily denied. The Supreme Court, in the *Olga Tellis Case* (AIR 1986 Section 180) held that the Constitution guaranteed, as a fundamental right, the right to life and expounded the new jurisprudence of human rights by holding that right to life included the right to livelihood and reasonably proximate alternative accommodation before arbitrary *en masse* displacement. But at the bottom of urban ills is the basic enactment of constitutional protection to urban local government. The polemical 65th Constitutional Amendment Bill of 1989 was a beginning in awareness although its provisions were largely an illusion and suffered from a genetic defect of electoral motivation. We are not concerned now with the fortunes of that aborted legislation but with the urgency of a constitutional shelter for urban democracy writ inviolably into the Paramount National Charter making every denizen in the slum and jhuggi a partner in the power process. Or else, Power to the People is double-speak baloney. Decentralised democracy must shed its colonial bureaucracy and make over power to the local community. Over-centralisation and rendering municipal bodies mere wrangling talking shops, with periodic elections as the opium of the people, has been the story so far. But the kernel of urban autonomy has yet to find constitutional expression. This demands that categorical imperative of self-government: faith in the humble millions and unreserved grant of power, nor throwing crumbs to Lazarus from the table of Dives.

When discussing democratic decentralisation, reference is usually made only to panchayati raj institutions by which are meant the District Councils (Zila Parishads) taluk or block samithies, mandal panchayats and village panchayats. Urban local bodies like municipal corporations and municipal councils are generally left out. In a modern development setting involving urbanisation, it is nece-

ssary to take note of the entire local Government structure below the State level and there is no reason why urban local government units should be left out of reckoning. It is through the establishment of a composite local government structure that democratic decentralisation from the State to the district and lower levels can be brought about. It is necessary to decide upon and establish such a structure, in order to delegate powers and functions to different units in a rational and complementary way.<sup>3</sup>

Two important matters fall for serious consideration at this stage. The first, of course, is sure elections at appointed times, not teasing illusions and promises of unreality. The second is effective devolution of powers, developmentally oriented and capable of execution of projects without bureaucratic bossism and hierarchic mendicancy from political echelons. True federalism in a large and diverse country like ours, with a Fourth World of appalling privations, necessarily implies the constitutional creation of a floor level structure, with several safeguards for the feudally oppressed and "hands off" *vis-a-vis* servitude to any type of bureaucracy. But planning for the country and the State should not be contradicted by chaotic local projects. Also technical assistance and financial resources must be equitably shared so that local self-government may take off and independent initiative engendered.

This perspectival philosophy must enlighten and activise constitutional protection for urban agglomerations. Lest small men "drest in a little brief authority" should monkey with constitutional amendments without value base and statutory potency and fob off the vapourous clauses of a facultative legislation. As sufficient constitutional armoury it is necessary to emphasize the obvious, insist on obligatory devolution and mandate transfer of power to the ill-starred sector, not the five-star wonder.

Two maladies, which may be remedied by constitutional changes have been rightly attempted by the 64th and 65th Amendments.

Most states and most parties in power have, in the past, displayed unconcern for periodic polls for Panchayats and, with equal delinquency, have superseded local bodies to which they have been allergic. A mere municipal law prescribing quinquennial elections is violated by the States with impunity. An extreme case occurred in Kerela where a Congress (I)-led Front ruled at the given time. No Panchayat elections were held for long and when the matter was considered by the High Court, a writ was issued to hold elections within three months. Instead of obeying this democratic directive from the Bench, the then

<sup>3</sup>V. Ramachandran, Report on the Measures to be taken for Democratic Decentralization at the District and Lower Levels, p. 25.

Cabinet got the Act itself amended and avoided the legal obligation to hold an early election. Small wonder that a Constitutional command to conduct regular polls is a wholesome prescription beyond the political frolics of parties in power. Similarly, instances abound of unconscionable supersessions where local bodies are put to sleep and kept in suspended animation. This *Kumbhakarna* syndrome must be corrected, if need be, by a super-provision. Likewise, a *Mareecha* device of stalling elections—a frequent vice—must be arrested. The Prime Minister, referring to the new measure on the anvil, rhetorised “no more will Panchayats remain the play-thing of the Arbitrary exercise of Executive Power”.—Amen.

To emphasise the value of the vote let me quote Winston Churchill:

At the bottom of all tributes paid to democracy is the little man, walking into a little booth, with a little pencil making a little cross on a little bit of paper—no amount of rhetoric or voluminous discussion can possibly diminish the overwhelming importance of the point.

Grassroots democracy at the Municipal level demands independent authority, financial, developmental and functional for the elected local bodies. Then alone will dependencia syndrome be cured and independent initiative restored.

Perestroika for urban democracy requires decentralisation and *Antyaya* justice. To redeem the historic tryst ‘to wipe every tear from every eye’ and to vest in the lowliest, the lost and the last the sweet smile of social justice, we need a second battle for Swaraj in its triune dimensions, social, economic and political. Do you mean ‘business’? □

## *State-Municipal Relationship : An Analysis of Collaboration and Control in India\**

L.N.P. MOHANTY

THE RECENT initiative in strengthening the Municipal Government in India by the Union Government through a series of conferences and meetings and the introduction of 65th Constitution Amendment Bill in the Lok Sabha had helped the process of self-introspection in the working, powers, functions and resources of the Municipal Governments in India as also their role in the entire governmental set-up.

Introducing the 65th Constitution Amendment Bill, the Prime Minister Shri Rajiv Gandhi said, on August 7, 1989, that "we seek through these bills to vest power in the only place where power rightfully belongs in a democracy—in the hands of the people". He further said, "no longer will democracy in local self-government become a passing political pastime. Through these bills, democracy in local self-government becomes a solemn constitutional obligation, an obligation that can neither be suborned nor flouted for reasons of expediency or indifference".<sup>1</sup> The Bill made democratic decentralization to the Nagarpalikas a key-stone of the country's constitutional arch, and urged participatory growth as imperative for a vibrant democracy.

The Constitution 65th Amendment Bill while granting constitutional sanction for maximum democracy and maximum devolution provided:

- (i) Devolution by State legislatures of powers and responsibilities upon the Nagarpalikas for preparation of plans for economic development and social justice and for implementing development schemes.
- (ii) The bill envisaged three types of Nagarpalikas—Nagarpanchayats; Municipal Councils and Municipal Corporations.

\*The views expressed by the author are his own and do not reflect his official position.

<sup>1</sup>Extract from the Prime Minister's speech in the Lok Sabha, Dated August 7, 1989.

- (iii) There was an adequate provision in the Bill for restricting the state government's power to supersede the civic bodies for an indefinite period. Accordingly the legislation is proposed fixed tenure of five years for the civic bodies and in case these bodies were dissolved before the expiry of the term, elections were to be held within six months.
- (iv) The Bill vested in the Election Commission the superintendence, direction and control of the elections; empowered the Comptroller and Auditor General to audit the accounts of Nagarpalikas; provided for sound finance of the Nagarpalikas by securing authorisation from the State legislatures for grants-in-aid from the consolidated fund of the State. It also provided for the Finance Commission to review the financial position of the Municipal bodies and make recommendations with regard to raising revenue.

The piece of legislation meant to strengthen the grassroots democracy has suffered a set-back in the Rajya Sabha on account of differences among the political parties. The opposition members, although welcomed the idea of decentralisation, expressed fear of erosion of States' powers by putting more powers in the hands of the Union Government at the cost of the states. They further alleged that the Bill was in contravention of the basic principles of the constitution and federalism, as described by the founding fathers of the constitution.<sup>2</sup> They doubted whether the centre could at all legislate on a matter concerning local government, which is listed as item five in the List II (State List) of the Seventh Schedule of the Constitution.<sup>3</sup>

Apart from the legislative aspects of the Bill, the Prime Minister's remarks raised some crucial issues, particularly the devolution of power to local self-government. At this point, probably it is to some extent pertinent to make a reference to some observations of Sarkaria Commission, which said, *inter alia*:

The issue of devolution of powers and responsibilities between the top two tiers of government, union and states, needs to be considered in the context of broader issue of decentralisation between these and other tiers of government on the one hand, and the functional agencies within each of these tiers, on the other. The interests and aspirations of most people are concentrated in the localities in which they live and carry on their avocations of life. Normally

<sup>2</sup>For details see *Hindustan Times*, October 14, 1989.

<sup>3</sup>"Grassroots Democracy from Above", *Times of India*, August 5, 1989. The issue has been raised in Calcutta High Court.

they would be content to compete at a level of the local self-governing bodies, making way for persons interested in larger issues of regional and national significance, to opt for higher elective forums. Decentralisation or real powers to these local institutions would thus help defuse the threat of centrifugal forces, increase popular involvement all along the line, broaden the base of our democratic polity, promote administrative efficiency and improve the health and stability of intergovernmental relations.<sup>4</sup>

The Commission further observed that:

there is a tendency towards greater centralisation of powers, there is a special need in a country like India for a conscious and purposive effort to counter it all the time. There is considerable truth in the saying that undue centralisation leads to blood pressure at the centre and anemia at the periphery. The inevitable result is morbidity and inefficiency. Indeed centralisation does not solve but aggravates the problems of the people.<sup>5</sup>

The present article has analysed critically the concept of autonomy and State Control with reference to India.

## I

The interests of the local municipal bodies and the state governments are so closely interrelated that a high degree of coordination and cooperation is necessary between them.<sup>6</sup> In the highly developed countries their relationship has been undergoing a gradual change from the pattern of subordinate—superior relationship to one of partnership and cooperation in providing a wide range of services with the maximum efficiency under commitments of a modern welfare state. On the other hand, in the developing countries the crucial issue has been how to structure local government so that it may shoulder the partnership responsibilities in national development.<sup>7</sup>

In almost all modern states or political systems where units of local government, urban or rural, are established on statutory basis, autonomy characterises their mode of functioning; but such autonomy is subject to certain norms and instruments of control which the political

<sup>4</sup>*Report of Sarkaria Commission on Union-State Relationship*, Government of India, 1987.

<sup>5</sup>*Ibid.*

<sup>6</sup>*Report of Rural-Urban Relationship Committee*, Vol. I, Ministry of Health and Family Planning, Government of India, p. 116.

<sup>7</sup>These observations of the study conducted on behalf of the International Union of Local Authorities for United Nations in 1962 are valid even today.

system, as a whole, is required to exercise over local government entities for maintaining a balance in the relationship between the local sub-systems and the political system taken as a whole.

Municipal bodies all over the world are controlled by some higher level of government in order to oversee that these grassroots institutions of local government at the urban level do not transgress their legitimate sphere of action, cause any threat to peace and tranquillity of the area or the state, spend extravagantly and in an unauthorised manner, suffer any disability in discharging their allotted responsibilities. In other words, the basic idea underlying the schemes of State Control over local bodies, is to prevent them from acting at cross purposes with higher level of government and to make them accountable to the people within their respective local jurisdiction.

The need for central supervision and control is obviously greater in developing countries than in industrially and technologically advanced countries. Because, in developing countries independent political systems with, more or less, stable central governments are of relatively recent origin, most of them having come to existence in the years after the World War II. Most of these countries were characterised by a largely illiterate electorate, undeveloped local leadership, inexperienced officials and unstable financial positions.

The developing countries liberated from colonial political regimes and administration, not only became politically conscious of their freedom but also showed an urge for democratic popular government at the national, regional and local levels. But in reality there was a scarcity of adequately educated, trained and experienced leadership to man popular representative government at the local level because the available best were absorbed in organising popular responsible government at the national and state level. Secondly, as the developing countries were in the process of achieving economic development and growth, their local bodies had to be dependent on meagre resources they could raise through local taxation and grants from the higher level of government.

Considering the volume and dimensions of the functions entrusted to municipal bodies in India, one of the leading developing countries, the financial resources which they could manage from their own taxation proved inadequate to the financial requirement of each municipal body which was confronted with providing modern civic amenities to an over-growing urban population. Besides, the accelerated pace of industrialisation and the consequent urbanisation in the post-Independence years in India threw up challenging problems to the urban local bodies. But unfortunately, neither politically, nor administratively or financially, most of these bodies were stable enough to cope with the challenges of the growing problems. Thus, in the post-Independence years of India

one notices a gap between the growing political urge for full-fledged democratic government at the urban level and the paucity of resources in terms of leadership, personnel, and funds to meet the ever growing expenditure in providing modern civic amenities to a growing urban population. This widening gap used to pose problems and often called for state government intervention.

Although intervention is not excluded from the statutes, the intention underlying provisions for state control and intervention was to keep it at the minimum so that urban local bodies might breathe an air of autonomy while running and managing their own affairs. But the practice over the past decades shows that what was intended to be an extraordinary measure to be used in the minimum, tended to become a normal affair being used by the state government not only frequently but often whimsically and arbitrarily.

## II

### AUTONOMY VS STATE CONTROL

The concepts of local autonomy on the one hand and state government control on the other are two contradictory aspects to be reconciled in the structure of the local governments particularly in their inter-governmental relationship. The modern English pattern combines elements of 'localism', 'self-management' and 'self help' in the business of service provision, usually with some 'central control' over performance standard.<sup>8</sup> In the American pattern the extent of autonomy is more, whereas autonomy allowed to French communes and departments is subject to State control through the prefects and sub-prefects.

In fact, autonomy claimed and exercised by urban local bodies is not absolute, but relative in character. This is evident from the provisions of the basic statutes which set-up the urban local bodies. Beyond the provisions of these statutes, it is relative to the demands of central economic management which are increasing in the present century under the requirement either of a Socialist State or of a Welfare State. Thirdly, it depends upon the responsibilities and obligations to be discharged by the local authorities acting primarily as agents of the Central Government. All the above factors create tensions between demands of the Central Government upon urban bodies from an ample measure of congruence with the former on broad questions of national policy on the one hand, and the need for local independence for decision, on the other.<sup>9</sup>

<sup>8</sup>M. Bowman and W. Hampton (eds.), *Local Democracies*, Melbourne, Longman Cheshire, 1983, p. 14.

<sup>9</sup>*Ibid.*

The question of local autonomy, *vis-a-vis*, Central Government control is not a static issue. It has been made alive and dynamic by almost continuous debates to that effect. In USA, the Commission on Inter-governmental Relations, rejected both the 19th century concept of inherent right of local bodies for self-government and Dillon-rule<sup>10</sup> that local government is a creature of State, and constitutes a convenient subdivision of the same. While rejecting these two extreme views the Commission held that both the State and the local government are partners for the welfare of the citizens.<sup>11</sup> Ursula Hicks too observed that, the relationship between the urban local government and the state government should be one of optional partnership between the two active and cooperative members, the state government all the same being definitely the senior partner.<sup>12</sup>

According to H. Maddick, the ultimate object of such 'partnership' should be to establish an 'equal partnership':

The system should begin with tutor-pupil relationship, should slip into a system of senior and junior partners and finally the system should evolve into one of equal partnership under the overall national objectives and policies.<sup>13</sup>

To achieve a balanced state-local relationship it is necessary for the state government to provide the right quantum as well as the right type of assistance to local authorities in order to invigorate and strengthen them. If the degree of control is too little, the control becomes ineffective, and if it is too much, becomes oppressive. The golden mean between these two extremes suggests the ideal position<sup>14</sup>

However, while controlling the urban local bodies, the following factors have to be strictly adhered to:

(i) Municipal bodies are democratic institutions consisting of representatives elected by the local community. In controlling

<sup>10</sup>Judicial interpretation of municipal power also follows, that traditional way of Dillon's rule, and it is accepted that Municipal Corporations' owe their origin to, and derive power and rights wholly from the legislatures. As it creates so it may destroy. Dillon's rule was challenged in his own country when in 1871 Judge Cooley (USA) ruled that some rights of local self-government are inherent in the municipalities.

<sup>11</sup>R.B. Das, "State Supervision and Control", *Nagarlok*, Vol. II, No. 4, 1970.

<sup>12</sup>U. Hicks, *Development from Below: Local Government and Finance in the Developing Countries of Commonwealth*, Oxford, The Clarendon Press, 1962, p. 28.

<sup>13</sup>H. Maddick, *Democracy, Decentralisation and Development*, Bombay, Asia Publishing House, pp. 203-204.

<sup>14</sup>S. Bhrukkroy, *An Outline of Local Government*, Portlouis, Association of Urban Authorities, p. 105.

them, this democratic process should not be subjected to the autocratic whim of the state government; and

- (ii) the autonomy of the local bodies should not be tempered with. Too much interference will affect their autonomy and frustrate the basic purpose of having a system of local government.<sup>15</sup>

Hence the state government's control and supervision can be oriented towards the building a healthy and sound municipal administration. Only, then control can turn out to be a constructive and useful factor in providing necessary stability and efficiency to urban bodies.

Examining the problem of central control, the Local Government Manpower Committee, set up in England in 1949, observed that, since the local authorities are responsible bodies, competent to discharge their own functions and exercise their responsibilities in their own right, the objective should be to leave the detailed management of a scheme of service to the local authority and to concentrate the departmental control at 'Key Points' where it can most effectively discharge its responsibilities, *vis-a-vis*, financial policies and financial administration.<sup>16</sup>

The Taxation Enquiry Committee set up by the Government of India viewed the question of State Control over the local bodies in the context of the Parliamentary Democratic System of India. It observed:

The state government as constituting the representative institutions has a vital role to play in ensuring the proper functioning of local bodies. It is their responsibility to see that the local bodies are efficiently organised, that they perform their functions properly and they take adequate part in the development of the country.<sup>17</sup>

### III

#### STATE CONTROL IN INDIA

In the Constitution of India, while the Directive Principles of State Policy refer, albeit glancingly, to village panchayats, the reference to urban local self-government is confined to an implicit mention in entry five of the State List. While Article 40 of the Constitution casts a man-

<sup>15</sup>Proceedings of the Seminar on "State Machinery for Municipal Supervision" held on 7th & 8th May, 1980 at Indian Institute of Public Administration, New Delhi, 1970.

<sup>16</sup>Report of the Manpower Committee, England, 1949.

<sup>17</sup>Taxation Enquiry Commission Report, Vol. III, Government of India, New Delhi, 1954, p. 374.

date on the state to ensure the working of the village Panchayats, there is no corresponding mandate regarding urban local bodies. The Central Council of Local Self-Government and Urban Development has passed several resolutions about the need for the constitutional recognition of local bodies and the need for clear statutory delineation of the powers, functions, and resources of urban bodies. The All India Council of Mayors has urged the same as also the National Commission on Urbanisation.

The urban local bodies in India are hence creatures of state governments governed by statutes enacted by state legislatures. Therefore, the state legislation under which an urban local authority has been established determines the degree of autonomy and spells out the mechanism through which the state government decides to exercise control.

The state governments in India exert legislative, judicial and administrative forms of control on the urban local bodies. The state legislature has the exclusive power to make laws in respect of local government power to alter, amend or repeal the statutes, and also to prescribe the methods, techniques and procedures for the exercise of state government control over urban local bodies.

The judicial control is aimed at keeping the Municipal Council within the limits of powers and functions given to them under the law and to protect citizens from the arbitrary actions of urban bodies. While controlling the Municipal Councils from excesses, it also protects the Municipal Council's interests from being violated by the legislature or the executive in their exercise of control over the Municipal Council.

Of all forms of control, the administrative control is the most effective. The object of administrative control is to see not only that the autonomous powers of the Council are preserved intact but also to see that the good of the whole is not sacrificed by partisan activities.<sup>18</sup> The Municipal Acts of different states give wide powers of administrative and financial control to the state government over the municipal bodies. Some of them are indirect and less vigorous such as, to give directions, to call for information and reports, to review local action or to give conditional grant-in-aid, etc. Others are more drastic and take the form of annulment of local decisions, prior approval of local actions, action in default, suspension and removal of elected members, and dissolution and supersession of the Council.<sup>19</sup>

From the stand point of the state control over the urban local bodies in India, the role of the state government has been four-fold, viz., promotive, preventive, punitive and curative/reformative.

<sup>18</sup>V. Venkata Rao, *A Hundred Year of Local Self-Government in Assam*, Guwahati, Bani Prakash Mandir, 1965, p. 162.

<sup>19</sup>*Report of Rural-Urban Relationship Committee*, Vol. I, *op. cit.*, p. 117.

### *Promotive*

The promotive role is primary over others. Since urban local bodies are the creatures of the state government, the latter has in certain respects to play a promotive role in respect of the urban authorities which includes:

- (i) Legislative stipulations for the creation and functioning of local government along with necessary local freedom;
- (ii) legislative amendments for smoother functions;
- (iii) adoption of statutory rules and issue of executive orders and instructions enabling it to operate within its local sphere;
- (iv) offering financial assistance including grants-in-aid and loans;
- (v) providing training facilities for its personnel; and
- (vi) extending technical advice and help.

### *Preventive*

Since the government is the custodian of public interest, it has to prevent conflicts between the local activities and the national objectives. This is in the nature of adopting measures which forestall and forewarn pitfalls. Provisions have been made for smooth functioning of all organs of the local government by way of anticipating possible conflicts between them and the local rate payers and the various organs of the government. When the local governments deviate from norms laid down by the basic Act, the state government has to prevent them from doing that.

### *Reformative*

In India where there are strong centralising tendencies, informal ways and means have developed through which the local authorities represent their grievances and requirements. The states in India convene inter-governmental conferences to discuss matters of mutual concern. However the decision to bring about a change are the unilateral action of the government. The government also appoints various committees and commissions for reforming local government.<sup>20</sup>

### *Punitive*

The punitive role is usually a negative approach of the state government to local bodies. The occasion for this might arise at times in accordance with changing circumstances. The punitive role

<sup>20</sup>M. Muttalib and M.A. Khan, *Theory of Local Governments*, New Delhi, Sterling, 1982, pp. 241-44.

stems from one of the two positions:

- (a) When the local government surpasses its permissible limit and the justification provided is not satisfactory.
- (b) When the state government and local government develop differences specially with different political parties being in power, the government may choose to penalise the local government at the earliest opportunity.

While the first is a legitimate intervention of the government, the second speaks of political expediency. Punitive actions assume different forms depending on the sphere of action and nature of default. They are as follows:

- (i) cancellation of the decision of the Council or its Committees;
- (ii) removal of the Mayor/the Chairman and the Councillors from office on proven charges; and
- (iii) serving notice on dissolution and supersession to the Municipal Councils.

But since laws are based on natural justice, all punitive actions are preceded by an opportunity being given to concerned authorities to explain their positions.

#### IV

It has been found in India that the state laws governing civic bodies drafted decades ago are inadequate to the needs of a growing population. The population in most towns and cities has rapidly multiplied, and the absence of proper organisation has led to the civic services coming to an almost breaking point. This has not only brought in discontent among the urban population but has also created large slums in cities.<sup>21</sup> Most of the civic bodies are financially in a bad shape and are unable to meet to the civic needs of the urban people, thus giving rise to miserable living conditions.

It has also been found that in most urban areas, municipal bodies are either non-existent, or have been superseded, or have been in existence for long periods without elections being held. In the middle of 1981 it was found that as many as 1700 municipalities out of 2000 all over India had no elected boards. Also as many as 47 Municipal Corporations out of a total of 66 remained superseded till the end of 1983. By the end of 1986, of the 72 Municipal Corporations in the country, 37 have been superseded or were without elected bodies.<sup>22</sup> Some

<sup>21</sup>The Hindustan Times, May 26, 1989.

<sup>22</sup>Times of India, October 16, 1986.

civic bodies were lying superseded for a period of 15 years as in the case of Madras and Lucknow. Uttar Pradesh and Madhya Pradesh head the list of states with the largest number of superseded Municipal Corporations. A classic example is Bhagalpur Municipal Corporation which was superseded about 18 years ago—the period which provides voting right to a young man.

Recent research in India (D.B. Rasenthal, 1970; T. Appa Rao, 1972; R.W. Jones, 1975; P.A. James 1975; K.M. Manohar, 1978; Hoshiar Singh, 1979 and O.P. Srivastava, 1980) shows that supersession of Municipal Boards/Corporations is most often decided on party political considerations.

The supersession of Congress (I)-run Berhampur Municipality by West Bengal Government on August 4, 1989 on the ground of corruption and financial mismanagement was set aside by the Calcutta High Court on September 22 while delivering the judgement Justice Mullick said, "the Commissioners were the elected representatives of a local self-government body and they could not be condemned without being given a chance to explain their position. If the Municipality was superseded on the ground of mismanagement without an opportunity to explain, the Commissioners would have to carry the stigma throughout their lives". The admission of error by the Chief Minister Shri Jyoti Basu shows that the supersession was most probably politically motivated.<sup>23</sup>

A microscopic study made on the problem of supersession and suspension of Urban Local Bodies in Orissa from 1950 to 1986 by selecting three oldest municipalities of the state, viz., Cuttack, Puri and Berhampur revealed that, of the total number of cases of supersession and suspension, more likely political and partisan considerations, rather than objective factors, influenced the government's decision to supersede the urban local bodies of the state. Majority cases are to be ascribed to the difference in the political complexion of the government at the state level and that of the Councillors at the Municipal level. They further revealed the punitive motive of the political executive at the state level, *vis-a-vis*, the superseded Municipal Councils. There have been few instances of supersession where the political complexion of the state government and the Municipal Councils are identical. In the aforesaid cases a faction ridden state ruling party has encouraged factional politics at the municipal level and has created situations congenial for supersession relative to the situation of unified politics. Similarly, a change in the ruling party either at the state or municipal level has its consequent impacts on the supersession of the municipal bodies. Only in a few cases, the tool of supersession has been used as

<sup>23</sup>For details see 'Editorial', *Hindustan Times*, August 12, 1989 and 'Staff Correspondent', *Hindustan Times*, September 23, 1989.

corrective against the erring local bodies. The study further revealed that only occasionally elections were conducted and very often the supersession period was extended.<sup>24</sup>

The study further revealed that the urban local bodies were rarely given guidance at appropriate time, nor were these bodies given timely warnings about their shortcomings or otherwise defects.

## V

The real object of state control over the local bodies should be educative rather than punitive. This object can be achieved with the state government keeping constant vigil over the working of the local bodies so as to point out their shortcomings and suggest to them ways of rectifying their mistakes in time.

The hitherto existing practice of state government swinging to drastic action only when 'reportedly' there is gross municipal inefficiency, corruption and bankruptcy, has to be abjured. Instead, there must be some agency of the state government which must be aware of the measure of success and failure in the performance of the local bodies, and accordingly must be engaged in a process of constant thinking about remedies that would be helpful to local bodies to improve the manner of their functioning and thereby enhance their capabilities to cope with various problems confronting them.

To achieve state government control in the aforesaid sense what is really needed is an intermediate monitoring of the goings on, in the municipal bodies, in a planned and a systematic way. Within a definite time limit monitoring and evaluation can be meaningful only in the light of certain pre-set standards.<sup>25</sup>

What is suggested here is that the state administration incharge of municipal bodies has first to set standards of performances for the municipal bodies. Wherever possible, quantitative targets may be fixed for each municipal body to attain while implementing its works-programmes. For instance, per capita water supply, extension of road mileage, coverage of vaccination, expansion of drainage and sewerage—all these are quantifiable. Annual targets may be set in respect of specific functions. On the revenue side targets for collection of taxes, rates, fees can be set. Similarly on the regulatory side, the targets for

<sup>24</sup>See L.N.P. Mohanty, "Urban Government and State Government in Orissa : A Critical Study of the Problem of Supersession and Suspension and its Bearing on Autonomy of the Local Bodies", Ph.D. thesis submitted in Utkal University, 1988 (Unpublished).

<sup>25</sup>Cf. M. Bhattacharya, *State Directorate of Municipal Administration*, New Delhi, Indian Institute of Public Administration, 1969, pp. 468-71.

allocation of housing sites, approval of building plans can also be laid down.

Once such annual targets are set in consultation with the municipal bodies, the state government has to monitor performance in respect of each function at regular intervals, say quarterly or half yearly. This can be done through a combination of reporting and inspection. What has been found in the cases of urban local bodies in India is that inspection is not conducted regularly by the higher authorities and on their own, the municipal bodies make inordinate delay in submitting reports, and at times do not report at all to the government about their affairs. The purpose of monitoring will be to see the progress of each municipality towards the achievement of predetermined targets. In the course of monitoring, the problems of specific municipalities in fulfilling the targets can be discussed and solutions found. At the end of the stipulated periods the over all performance in achieving targets can be evaluated and the state government will be in a better position to see which municipality is lagging behind. In such cases the causes for inadequacy can be diagnosed and remedies as deemed appropriate and relevant can be suggested.

Among other important measures to be taken to evolve a system of monitoring and evaluation one may think of a full-fledged Directorate for the municipal bodies. In the states in India where the Directorate has become adjunct to the Secretariat departments, the arrangement has proved faulty and unsound, because the Director does not get ample time for conducting inspections, nor is he given appropriate opportunity or agencies to conduct regular supervision and inspection of the working of municipalities. It is suggested that the state governments where the full-fledged Directorates have not been set up, should set the full-fledged Directorates to look after the affairs of urban bodies. It is pertinent to mention here the views of the Rural-Urban Relationship Committee which stressed the need of a well organised Directorate at the state level to improve the system of direction, supervision and control of local bodies.

In sum, to achieve a balanced state-local government relationship, it is necessary that the state government should lay emphasis on guidance, research, advisory and consultation services, technical assistance and training programmes and on the local government side, a genuine concern for improving their process and procedures to the end that decisions can be made and implemented efficiently. The state government has to provide the right quantum as well as the right type of assistance to the local authorities to invigorate and strengthen them. The ideal relationship would be to strengthen the local bodies, so as to enable them to tackle the day-to-day problems promptly and achieve a high level of performance in their services, under the supervision of the

state. This relationship can be achieved if the state grants greater powers to local units; subjects these powers to flexible administrative supervision; assist municipalities to secure stable and adequate revenues; and foster the enlargement and consolidation of the local government. □

## *Structure of Municipal Bodies—Some Basic Issues*

D.S. MESHRAM  
and  
R.P. BANSAL

RECENT YEARS have witnessed increasing interest and a growing national consciousness of the need and importance of reviewing the structure of municipal bodies which owe their existence to what is known as the Lord Ripon's Resolution on Local Self-Government adopted on May 18, 1882. Over these years the structure of municipal bodies has largely remained the same even though the number of urban areas has increased and the problems created by excessive urbanisation have become more complex in scope and character. The urban areas contribute over 50 per cent of the country's Gross National Product and occupy an extremely important place in the socio-economic fabric of the country. More than 200 million persons live in the urban areas today and the municipal bodies need to respond to the growing urban needs of the people.

The problems of the urban areas as also the structure of municipal bodies and a host of other related issues have been the subject of discussion and debate in various forums from time to time. The series of Nagarpalika Sammelans held in June-July 1989 at various levels identified the major issues which have a bearing on the efficient functioning of municipal bodies and sought to find suitable responses which may promote fuller participation of the people and enable the municipal bodies to strive to come up to the goals and priorities. The discussions were held with the municipal officers as also the elected representatives of urban local bodies for which regional Nagarpalika Sammelans were organised at Bangalore, Cuttack and Delhi. The State Chief Secretaries, LSG Ministers as also the Chief Ministers of the various States and Union Territories were separately invited to discuss the important issues and the short/comings of the present system and propose alternatives to improve the situation. Most of these Sammelans were addressed by the Prime Minister and the Urban Development Minister. Stressing the relevance of democratic decentralisation in the development process of

rural as well as urban areas, the Prime Minister called for a review of the present municipal administration in the country.

With regard to the structure of municipal bodies, three specific issues were posed before the Nagarpalika Sammelans which relate to the criteria for the establishment of municipal bodies, their reclassification on the basis of population, income and other relevant issues and the desirability of a single tier or two-tier administrative structure for various municipal bodies. These issues were addressed to the municipal officers as also the political representatives at various levels.

The municipal local authority is, in fact, a unit of the Local Government. It is a corporate body with perpetual succession and a common seal with powers to acquire and hold property. It is a *persona ficta* which can sue and be sued in its corporate capacity. It exists for the purposes of law, but is a fictitious person having no physical existence. It is a subordinate body politic, established by the authority of law. The status of the local authority in India is ordinarily determined on the factors of population, income or special circumstances of its location. We have different kinds of municipal bodies which are units of urban local government. These are: (i) city corporations; (ii) municipalities; (iii) town areas; and (iv) notified areas. The town areas and the notified area committees are at the bottom of the scale and the municipal corporations are at the top representing the most developed form of municipal government. The municipalities occupy an intermediate position in the scale. In addition, there are cantonment boards, which are regulated by a Central Act (II of 1924), and the state governments have no jurisdiction over them. The parliament has exclusive jurisdiction to make laws on the subject vide Entry 3 of Union List I. The elected element in the cantonment board is usually in a minority and the size of the population under its jurisdiction is rather small. These are primarily military zones and their economic base is weak. Besides, there are improvement trusts or development boards which are constituted for the general purpose of city development, under State Acts.

The basis and the procedure for setting up municipal bodies is provided in the State Acts which depend upon population, size, share of population, in non-agricultural occupation as also importance of the town, etc., as a determinant factor. The population, size and income limits vary from state to state. In Maharashtra, for example, classification of municipal towns is done solely on the basis of the population, starting with population of less than 30,000 as 'C' class, between 30,000 to 75,000 as 'B' class and towns with 75,000 population and above as 'A' class. In Karnataka, the town must have a population of 10,000 before it can be classified as a town municipality, and the city municipality must have a population of 50,000. In Uttar Pradesh the town area committee is the smallest unit constituted in the

plains with a population of 20,000 and above and a minimum population of 10,000 qualifies in the hill areas. It is also provided that 75 per cent of the population must be having vocations other than agriculture along with urban characteristics like roads, electricity, bank, health centre, etc. Such town area committees are expected to have at least 30,000 as income. Class IV municipal boards should be within the population range of 40 to 50 thousand with an income of Rs. five lakh per annum, while population of 50 to 75 thousand with annual income of Rs. 10 lakh qualifies for Class III towns. The towns with a population of one lakh and above with Rs. 50 lakh as yearly income qualify as Class I and Class II towns must have a population of 75,000 to one lakh and an income of Rs. 30 lakh. The cities with a population over five lakh are constituted as corporations. In Andhra Pradesh, the classification is also done on the twin basis of population and income, but the population size and the income is not the same. In Tamil Nadu, the main criterion for classifying the urban areas as a special grade municipality is annual income of Rs. 75 lakh.

Thus, it would be seen that the criteria for the establishment of municipal bodies vary from state to state and there is no measure of uniformity in the basis. According to the definition given by the Registrar General of Census, the following three conditions should be together specified if a place it is to be considered as an urban area:

- (i) population is 5,000 and more,
- (ii) density is more than 400 persons/sq km, and
- (iii) 75 per cent of male working force is engaged in non-agricultural activities.

In addition, all towns, having a statutory urban local body are also treated as 'urban'. Therefore, the cut-off size in terms of population is at present 5,000. But in some cases even below this population, urban local bodies are constituted. The participants in the Nagarpalika Sammelans broadly agreed to a cut-off population at 20,000. In the case of Hills and States of the North-East, state headquarters and other hill towns within the State, the analysis of responses, revealed that it is rather necessary to consider other factors to declare a particular area as urban even below 20,000 population. The areas of religious or tourist importance with a large floating population may also come within this category. Similarly, the town which may be selected as a growth centre for industrial development may also possibly be declared as an urban area even below 20,000 limit. If a cut-off point at 20,000 population is considered, it may not be necessary to consider other factors for declaring an urban area. But for areas between 5,000 to 20,000 population certain amount of flexibility to the states would help them in exer-

cising discretion taking into account local consideration.

Along with the population, its density also varies from one city to another. In prescribing a certain minimum population density as a criterion for declaring urban areas, various difficulties, creep in namely hill stations and partially populated areas, fringe areas of existing towns, etc., where the density may not be very high but still need to be treated as urban keeping in view their location and future development.

With regard to income, the standards vary from one state to another, although one could certainly think of prescribing a certain minimum income before a local body could be considered to be urban. The broad consensus at the Nagarpalika Sammelans was that a minimum limit of Rs. five to 10 lakh should be laid down irrespective of population for declaring an urban area. Again this is to be set with many operational limitations such as lack of uniform data, the taxes and levies yielding income varying from state to state, income depending on the functions and powers of the local bodies and the income varying from year to year. Most of the states represented by their municipal officials as also the elected representatives, recommended combination of both population and income as a criterion for establishing urban local bodies.

With regard to occupational pattern, the application of census criterion of more than 75 per cent male workers in non-agricultural activities may exclude certain settlements having large population with male workers employed on agricultural or agro-based industries. But question arises whether such towns should be considered as urban areas or a certain minimum non-agricultural activity be prescribed. Even there are difficulties in clearly defining as to what is non-agricultural. While there was a concensus that the industrial pattern of any local area should also be considered along with other factors for constituting an urban area, some participants were of the view that instead of non-agricultural non-farm should better be used which may allow economic activities such as agricultural processing, marketing units and other agro-based activities within the scope of an urban area. In the absence of any agreed formula with regard to occupational pattern, the census may be followed to ensure uniformity.

Regarding the issue relating to re-classification of municipal bodies it may be stated that today there are too many types of municipal bodies and apart from the four broad categories stated above there are city municipalities, town committees, town boards, small town committees, etc. There is no uniformity with regard to classification of municipal bodies and they vary from state to state. The National Commission on Urbanisation (NCU) also went into this question in detail and was of the view that urban settlements should be divided into two categories for the purpose of municipal administration, i.e., settle-

ments which are of a size that are manageable by a single unit of administration and those which are so large that they require multi-tier government. It recommended that all settlements with a population of less than five lakh should be classified as towns because they are manageable as a single unit of administration, be it a municipality or municipal corporation. For cities with more than five lakh population, the NCU recommended decentralised city government to deal with multi-core highly complex and divisible into semi-independent townships for which two-tier structure has been proposed. The Nagarpalika Sammelans stressed the need to reduce the classification of urban local bodies to two or three types only depending upon size of the population which would bring about certain uniformity through out the country. In Maharashtra, for example, the municipal corporations are governed by the Bombay Provincial Municipal Corporations Act, 1949 except the corporations of Bombay and Nagpur which have been set up under a separate Act. The municipal councils which are administrated under the Maharashtra Municipalities Act 1965, the classification is based on population with 75,000 and above as class A, 30,000 to 75,000 class B and less than 30,000 population as class C. Similarly, in UP and other States, the municipal bodies, are divided into many classes which call for a simplified re-classification. There was a broad consensus that cities with a population of five lakh and above may be classified as corporations and municipal committees for towns having a population of one to five lakh, for better administration and formulation of policies and programmes. It was, however, stressed that the population criteria should not be very rigid and the state governments should be allowed adequate flexibility in classification so that other factors like financial resources, urban characteristics, etc., could be taken into account.

Another major issue with regard to the structure of municipal bodies in the country relates to the accessibility and responsiveness of the municipal government. It is an accepted fact that common citizen in a city or town does not have ready access to his elected councillor or even to the municipal administration. The municipality is divided into wards and the size of the ward in terms of population and physical distances varies from one municipality to another. This situation is very different in the rural areas where the basic unit is a village panchayat in which the *panch* represents about 500 voters. This ready access enables better monitoring of the delivering of services and the participation of the people is also, ensured to a great extent. In the urban areas, on the other hand, the elected representatives may have to represent as many as 50,000 voters which makes the system very impersonal and inaccessible. The need and urgency to restructure the present system to provide for greater accessibility to the people is accepted at all levels.

It is in this context that the NCU recommended a multi-tier system for bigger corporations and metropolitan towns. The very size of the city demands a scale of activities which distances officers from citizens and the complexity of the problems of metropolitan towns, renders the single administrative organisation incapable of efficient management. The NCU recommended that in such big cities there are certain management issues which need to be looked at city wide like over all financial structure of the city, over all planning and the creation and maintenance of services, incapable of being broken up into small compartments. This may include transportation system, power, water supply, sewerage, pollution control and land management. Contrary to these, there are other functions of local interest like maintenance of local roads, parks, local schools, scavenging, street lighting, etc., in which local citizens may have different views in different localities. The Commission recommended that bigger cities may be divided into local councils, the size of which may vary between 50,000 to 2,50,000 depending on the size of the city. The functions which are divisible at local levels should be transferred to the local councils funded by grants from the city administration according to the population and the city-wide functions to be vested in the city corporation. The city corporation should not involve itself in routine municipal administration and may concentrate on planning of the city and raising resources for provision of city-wide services. This would leave the city corporation free from daily pressures and may be able to concentrate on basic problems. The Nagarpalika Sammelans also reviewed the existing municipal structure of the urban local bodies and strongly felt that a multi-tier administration structure should be adopted for bigger cities depending upon their size. In smaller municipalities, the single-tier system may be continued.

The introduction of the Mayor-in-Council system under the Calcutta Municipal Corporation Act, 1980 (which received the assent of the President in December 1981 and later enforced sometime in 1984) has once again brought into sharp focus the various alternatives to municipal structural reform particularly in large urban local bodies in the country. It represents a bold new experiment in the history of urban local government which should be given a fair trial. The existing models of municipal bodies had, in fact, been conceived on the basis of the principle of the separation of deliberative and executive functions to keep administration free from political interference with a view to ensuring objectivity in the implementation of policies and programmes but in the light of the experience gained in the working of the system, it is found that it has unintendedly led to greater political interference and needs careful rethinking particularly in the light of the enhanced responsibilities of urban local bodies. Under the Mayor-in-Council system which comprises a Mayor elected by the corporations councillors, the

executive powers are vested in the council which is responsible to the corporation. The Borough Committees constituted under the Act, are to discharge the statutory functions of the corporation relating to the provision of municipal services within their local limits under the general supervision of the Mayor-in-Council. The Borough Committees are more closer to the people than the corporation council and is a multi-tier system of local government which needs to be examined and suitably adopted to make the municipal administration more efficient and responsive to the people. □

## *Functions of Urban Local Bodies: New Dimensions*

A. MALLA REDDY

THE PROCESS of development stipulates effective management of international, national and the local affairs. The international and national segments being broader in implications and importance, mainly deal with security, economic growth, and progress of the nation and therefore, their impact at the micro level, remains at best notional. On the other hand, the local segment assumes greater importance in view of its closeness to the citizens, as they embrace management of the civic functions and maintenance of reasonable living conditions. All the countries have agreed to establish a local agency to manage the local functions. However, the forms of local agencies are different in different countries. Some of them are functioning as lower tier of the government with decentralised authority, others are functioning as centralised authorities.

In India, local agencies have come into existence several decades ago. In rural areas they are called panchayats, whereas in urban areas they are called as municipal bodies. The urban local bodies have been sharing a wider responsibility in view of the conditions prevailing in urban areas. The functions of the urban local bodies have been changing from time to time. During the British regime, in the earlier period, the functions of urban local bodies were confined to imperial requirements having negligible local participation.

The first major landmark in the municipal bodies was through the Lord Ripon Resolution adopted on May 18, 1882. The resolution considered as *Magna Carta* of Local Self-Government in India paved way for statutory delegation of authority and also assignment of technical responsibility.

The local bodies have also gained considerable importance in the post-Independence period. All the states have enacted statutes for creating the local bodies. However, their status, powers and functions are drawn from the statute through which they are created.

This article highlights the functions of the urban local bodies, issues in the administration of these functions and changes needed in the

system for effective performance of these functions by exploring new dimension in the functions of urban local bodies. The urban local bodies, *viz.*, the municipalities and the municipal corporations throughout India are primarily incharge of managing the civic affairs by providing a range of services to ensure a healthy environment for the urban community. The following municipal services are historically expected from the municipal bodies: (i) Public Health, Water Supply and Sanitation, (ii) Public Works, Construction and Maintenance of Streets, Street-lighting, etc., (iii) Medical Relief, (iv) Education, (v) Development of Market Places and Slaughter Houses, (vi) Town Planning, and (vii) Licencing, Regulating and General Functions. However, the priority with which the functions are taken-up differ from region to region in tune with the local conditions and practices. In almost all the states, the Municipal Act enumerates a list of discretionary functions as well as obligatory functions. The following list of functions is commonly taken-up in most of the urban local bodies:

*Obligatory Functions:* (1) Supply of pure and wholesome water; (2) Construction and maintenance of public streets; (3) Lighting and watering public streets; (4) Cleansing public streets, places and sewers; (5) Regulation of offensive, dangerous or obnoxious trades, callings or practices; (6) Maintenance or support of public hospitals; (7) Establishment and maintenance of primary schools; (8) Registration of births and deaths; (9) Removing obstructions and protections in public streets, bridges and other public places; and (10) Naming streets and numbering houses.

*Discretionary Functions:* (1) Laying out of areas; (2) Securing or removing dangerous buildings or places; (3) Construction and maintenance of public parks, gardens, libraries, museums, rest houses, leper homes, orphanages and rescue homes for women, etc.; (4) Planting and maintenance of roadside and other trees; (5) Housing for low income groups; (6) Making a survey; (7) Organising public receptions, public exhibitions, public entertainment, etc.; (8) Provision of transport facilities with the municipality; (9) Promotion of welfare of municipal employees; and (10) Providing music for the people.<sup>1</sup>

Although the urban local bodies have the self-governing character with powers and functions, several of them are in grave crises while coping up with their tasks as the resource position of most of the municipal bodies remains very unsatisfactory. Yet, there are a few

<sup>1</sup>S.R. Maheshwari, *Local Government in India*, New Delhi, Orient Longman, 1976, p. 202.

municipal bodies that are able to provide a satisfactory level of civic services, notwithstanding inadequate resources.

Urban local bodies are statutorily empowered to raise their own resources through various sources like taxation, collection of user charges, collection of fee and levy of penalties and it has become a common feature to find the state government progressively enervating into the municipal tax base; thus, confining the municipalities to the state of being at the mercy of their respective state governments.

One major reason for the low level of financial bankruptcy is the virtual stagnation in revenue mobilisation through the tax base. Municipal bodies have also not been able to make use of the medium of user charges. Here too, the state governments have made inroads without institutionalising the grants-in-aid system correspondingly.

On the other hand, the urbanisation has been extremely rapid. Population has steeply increased from 109.10 million in 1971 to 159.27 million in 1981. It is expected to reach 277 million by 1991. The process of urbanisation has brought several new areas into the urban fold, along with the increased population. In 1971, there were 2,431 towns which increased to 3,245 in 1981. By the year 1991, they are expected to increase to 4,000. The National Commission on Urbanisation (NCU) estimated an annual investment requirement of Rs. 3,000 crore to Rs. 3,500 crore for developing adequate urban infrastructure facilities.

The local bodies which are incharge of the local functions had been struggling to extend the listed municipal services. All municipal bodies receive grants-in-aid from the state governments. These are based on the assumption that the existing resources available with the municipal bodies are not sufficient to yield the revenues they need. However, well set policies on grants-in-aid are absent and these continue to be either *ad hoc* or specific.<sup>2</sup> The grants they receive are broadly for education, road maintenance, public health schemes, and dearness allowance to the municipal employees. These grants are used for the purposes they are released. The funds released fall short to extend these specific functions. However, as has been universally acknowledged, financial constraints and rapidly increasing urban population have limited the ability of the local governments to produce and distribute services adequately and efficiently. Such a situation has generated a disequilibrium between the demand and the supply of public services.<sup>3</sup>

In the absence of generation of more services and extend them to the growing areas, the tendency is to over-use the available services. In this

<sup>2</sup>*Nagarpalika Sammelan*, Discussion Paper, Ministry of Urban Development, New Delhi, Government of India, 1989, p. 12.

<sup>3</sup>*Upgrading Municipal Services, Norms and Financial Implications*, Vol. I, Research Study Series, No. 38, New Delhi, National Institute of Urban Affairs, 1989, p. 27.

situation, most of the municipalities have been finding it difficult to perform even obligatory functions. No useful purpose is thus served by compiling a second list of discretionary functions. The effect of inadequate financial flows are felt all round. The quantum and quality of services fall and an increasing proportion of the urban population remains denied of access to the services.

There has always been ever increasing demand for the municipal services, especially the water supply, drainage, public health, etc. The urban bodies could not undertake these new responsibilities in an effective manner due to a variety of reasons like scarcity of funds, technical expertise, local initiative, etc., and consequently, urban bodies were deprived of certain functions and also were subjected to frequent dissolutions and supersessions.<sup>4</sup> Another formidable problem that the urban areas are presently faced is that of poverty. In 1983-84 when the last assessment was made, there were 51 million persons (roughly 28 per cent below total urban population) living below the official poverty line in the urban areas. The number of urban poor, in fact, becomes larger if other forms of deprivation are taken into account. This category of population is becoming burdensome to the municipalities; they are neither able to contribute to the municipal system nor they are able to benefit out of the municipal services.

The areas coming under the influence of urban sprawl are the worst sufferers in the delivery of municipal services since the needs of these localities are multiple against the resource limitation of the local bodies. In this situation, the councillors/local leaders have to opt among various services like water supply lines, road formation, drainage, street lights, etc. Since all of them are obligatory services, many times their prioritisation becomes a difficult task. In the process, most acutely needed services are denied to many of the localities.

The size of localities in the urban areas are not uniform. In fact, the urban form has differed from region to region. Some of the localities are planned and well built, others are unplanned and poorly built. There is yet another set of localities which are old and need renewal programmes. In the newly forming localities of urban areas, several houses not in conformity with standards are coming up isolating the rules and regulations. These localities are coming into existence without proper civic infrastructure, leading to improper formation of the localities. These uncontrolled settlements are growing up in many parts of the cities and towns. The poorest of our localities where civic services are denied are identified as slum areas. It has been identified that

<sup>4</sup>*Report of the Study Group on Constitution, Powers and Laws of Urban Local Bodies*, Government of India, New Delhi, Ministry of Works and Housing, 1982-83, p. 79.

nearly 20 to 25 per cent of urban population lives in slum areas. In fact, this percentage is higher in the large size cities.

Settlements without municipal services are potential areas of health hazards. These areas give rise to disease and epidemics. The local bodies have no scientific devices to control the spread nor they have technical expertise to handle the situation. The recent cholera gastro-enteritis in which hundreds of people died in Delhi and other areas is one of the most tragic results of unhealthy environmental conditions in Indian cities.<sup>5</sup>

The scene of local governance presents a perplexing image of several inter-mixed issues like lack of effective staff, lack of resources, rising cost of works and services. These issues are leading towards poor image of the local bodies. Often, people say that the works done in the municipal areas are of poor quality. Currently, they are considered to be corrupt and not capable of undertaking initiatives with regard to development programmes and activities.<sup>6</sup>

Local bodies have often been condemned for poor performance instead of the sensitivity to improve their performance. Since 70s, urban local bodies in particular, have witnessed a serious set-back in their role and status. The era is marked for the withdrawal of some of the primary civic functions and their allocation to several non-representative statutory special purpose urban corporate authorities on grounds of inadequacy of funds, lack of adequate technical know-how or the excess of local democracy.<sup>7</sup> This has lead to erosion of municipal authority. The municipal bodies have been complaining that they are left only with functions like street-lighting and registration of births and deaths, etc. One feature of the municipal form of government is the prescription of a long list of functions expected of a municipality matched equally by the non-fulfillment of even (some) essential functions.<sup>8</sup> People's representation becomes conspicuous by absence due to dissolution, supersession of the council. Wherever they are present, they are not in a position to rectify the situation.

With the growing urbanisation, pressure for satisfactory level of services has been mounting on local governments. Resources of municipal bodies have, however, not grown commensurate of their responsibilities. Consequently, there has been a general deterioration in the

<sup>5</sup>*Upgrading Municipal Services, Norms and Financial Implications, op. cit., p. 27.*

<sup>6</sup>H.D. Kopardekar, "Urban Government in India: Challenges and Opportunities", *Planning and Administration*, Vol. 16, No. 2, Autumn, Netherlands, 1989, p. 18.

<sup>7</sup>*Report of the Study Group on Constitution, Powers and Laws of Urban Local Bodies, op. cit., p. 3.*

<sup>8</sup>S.R. Maheshwari, *op. cit.*, p. 200.

standard of civic amenities.<sup>9</sup> Today, urban India is known for its haphazard and stunted growth. The urban local bodies have failed to evolve suitable services to meet the requirements of the citizens.

Citizen demands are multi-dimensional and multi-sectoral. The major issues for serious concern are whether urban local bodies have the capability to manage their local affairs. Should there be a separate list of municipal functions in the Constitution on the lines of State List in the Seventh Schedule dealing with elections, financial resources, service jurisdiction to cover growing population?

These problems need to be tackled innovatively. The urban local bodies need to be geared to meet this emerging task. Planning for a constitutional status and directly funding the local bodies have been widely recognised. The issues faced by the urban local bodies create a condition to redefine the role of the urban local bodies. Mere delivery of services would not reach all the sections of the urban community, we have to ensure the delivery of services to all the citizens.

The local bodies need promising leadership by the political representatives to steer out the local bodies from the critical phase. Political parties should come out with a code of conduct. They should sponsor responsible candidates to represent the local bodies and be guided to avoid indulging in the malpractices. The gulf between the local bodies and the people have to be reduced by the people's representative by frequent meetings and interactions with various sections of the community.

The functions entrusted to the local bodies are, more or less, exhaustive. Apart from the list of functions few more new functions should be added. The expectations from the urban local bodies continue to rise. The existing facilities have to be enlarged, new ones have to be taken up depending on the changing needs of the citizens. In other words, all the amenities needed for better living physically, economically, socially and culturally constitute the responsibility of local government.<sup>10</sup> This target has to be approached with welfare inputs such as social welfare, recreational, education, health activities, etc. The local bodies should be able to apply and extend them to the needy situation. In fact, extension of the right combination of services has become the need of the hour.

There is an urgent need to improve the finances of the urban local bodies. Direct funding to urban local bodies by central and state governments may help them to overcome the financial difficulties. But funding the urban local bodies shall increase the dependency, thus limiting their self-governing character. In addition to direct funding, the

<sup>9</sup>*A Study of the Financial Resources of Urban Local Bodies in India and the Level of Services Provided*, Part I, conducted by the NIUA, New Delhi, p. 1.

<sup>10</sup>S.R. Maheshwari, *op. cit.*, p. 2.

local bodies should be given the autonomy of raising their financial resources. The tax base should be broadened to generate necessary finances. The local bodies must be free to levy all the taxes listed in the Act. Local resources should be able to meet the expenditure to be incurred on the delivery of the listed civic functionaries resolved in the municipal councils. The local bodies should be free to collect the user charges proportionate to the cost of delivery. The local bodies should also select services which could be financed from other lending agencies on a short-term basis, the local bodies should make good of them through user charges.

Town Planning Department of the Local Bodies should be strengthened through planning and enforcement of the plans vigorously. The construction activities need closer supervision. Deviations and encroachments should be viewed as serious offences to reduce the violation of the planning rules and regulations. As housing is one of the primary needs of the citizens, the local bodies should take up steps to propagate low cost housing and new techniques of construction.

Mere delivery of public health service shall not serve the purpose. The public health section of the local bodies should have competent personnel to render scientific based public health services. In fact, the public health service should take up the preventive devices so as to control the epidemics, pollution, diseases, etc. However, water and sanitation are the two important municipal services and are considered to be the life saving elements. These two functions have to be effectively managed. Therefore, wherever water shortages occur, tapping the groundwater to supplement the main supply may have to be undertaken.

The urban environment is manmade. In the urge to settle closer to services, citizens compromise with essential inputs such as common spaces for community activities, green-belts and water-sheds—the main elements of ecological balance. A systematic survey has to be made to introduce these environment inputs. This activity should go as a regular municipal function. In order to bring effective pollution control, the local bodies should take up their share of responsibility in minimising the pollution effects of the solid waste, sewerage, water stagnation, etc. Since environment is a broader subject the state government should also advise and assist the local bodies in managing the environmental issues.

The general tendency is that citizens do not owe any responsibility towards maintaining a healthy environment. They consider it to be the responsibility of municipalities. Their negative attitude leads to throwing of garbage on the streets, clogging of drains, roadside defecation, etc. These activities are causing major damage to the municipal system. Extension education is necessary to bring consciousness among

all the illiterate citizens. They should be able to understand their role in maintaining clean surroundings. The municipality should not only extend the services, it should motivate the citizens to lead a better civic life, to live in improved environment and to assist the municipality in servicing them.

Urban India is known as the centre of attraction for the poor, unemployed. The poverty among the people should be tackled at the root. The local bodies can be the best vehicles to the poverty alleviation programmes. In order to tackle this problem, the urban local bodies should become a centre for convergence of all the developmental activities taken up by the government. The local bodies have to guide the disadvantaged community, act as a platform for bringing economical and social changes in their fold.

The development schemes such as income generation, environmental improvement of urban slums, urban basic services programmes should be taken up by all the urban local authorities as proposed by the government. The local bodies should take up commercial enterprises, they have to develop new markets and *mandies*, shopping centres in the important growth potential areas. These facilities should also be thrown open to the economically weaker sections to enter into the commercial markets. These enterprises shall also serve the hinterland people. The local bodies should initiate these schemes on their own by raising the finance from banks and repay them in the course of time. Income from these sources shall be strengthening the municipal revenue.

One of the important development programmes in urban areas is implementation of the Environmental Improvement of Urban Slums. The scheme envisages provision of package of services such as water supply, drainage, pavements/roads, street-lighting, community latrines and bathrooms. These measures are in confirmation of the Directive Principles of the State Policy laid down in the Constitution of India. Components provided under the scheme are obligatory functions listed in the local bodies. By implementing the EIUS programmes, the local bodies can provide required inputs to the poor localities. The EIUS is helping the urban poor to receive the services and improve their surrounding living conditions. However, the implementation of this programme should take the ground conditions of the respective slum areas while deciding the package of services. These efforts shall give major relief to the deprived localities.

Urban basic services programme is yet a new step to service the most disadvantaged urban community. The programme envisages neighbourhood approach, which shall enable poor community to manage their own affairs. Through this approach, need-based basic services can be extended to the poorest of the poor localities.

In fact, all the development schemes are, more or less, emphasising

the implementation of some of the listed municipal functions. These schemes shall help local bodies to introduce the required inputs in the areas of deficiencies.

The women and children are the worst sufferers of the unclean surroundings of the urban localities. Nearly half of the population living in urban areas are women and a quarter of the population are children below the age of ten years. The government is extending different kinds of welfare measures through different departments but many of these programmes are not able to reach the intended beneficiaries. The illiterates in the urban areas are ignorant of these welfare programmes. The local bodies should act as an information centre for the welfare activities so that the programmes could reach the intended beneficiaries.

The local bodies should give priority to organise a community centre at the *basti*/colony level. In fact, the local bodies can explore to organise them with the help of the voluntary agency or local welfare committee. These centres could become the platform to extend the welfare activities as mentioned above. Primary health care programmes should be taken up by the local bodies. The local body situated nearer to the people should be able to take up the extension education on the health care. It should organise family welfare schemes, immunisation, vaccination programmes as welfare measures.

Recreation activities should be taken on a regular basis. This activity should contain the reading rooms, indoor games, parks and playgrounds. These functions can also be handled through interested agencies, who can manage them on their own. These activities shall provide a major relief to the citizens who are engaged in the busy routine work culture.

Effective devices have to be worked out to measure the workload and post suitable personnel in the number of vacancies. This kind of effort can overcome the manpower problems of the local bodies. Yet, another important area which is neglected is the training of the municipal personnel. Several orientation training courses have to be organised to boost their morale, equip them with the current knowledge and imparting new skills, to make them responsive to the growing problems of the municipalities.

Urban local bodies in developing and developed countries have been undertaking new functions, such as managing the city transport, police, managing civil supplies, construction of housing colonies and regional planning. These functions need specialisation which most of our urban local bodies do not have. Therefore, they may not be able to manage these technical oriented functions.

## CONCLUSION

The urban local bodies are self-governing agencies, their functions are essential inputs in the lives of the citizens. Although the functions of the urban local bodies are categorised under the obligatory and discretionary functions the, local bodies are finding it difficult to extend the obligatory functions due to limited resources and absence of technical skills. The local body can justify its role only with the successful delivery of the listed obligatory and discretionary functions. In view of the complex problems faced by the local bodies, they should deal with the situation by delivering new dimensional functions. These new functions include guiding the citizens in building their houses, strengthening the public health services, providing environmental inputs and extending social welfare and recreational facilities. The urban local bodies should be strengthened in view of the growing responsibilities. The state governments should guide them to overcome the difficulties encountered in the delivery of the listed functions.

Today, urban local bodies are deemed as an asset distribution centres, every citizen is demanding the services without realising their individual roles. 'We' feeling among the urban citizens has to be developed. Unless each citizen realises his role, the tasks of the municipality cannot be easily realised. Moreover, role of the urban local bodies should not be confined to provision of civic amenities. Provision of civic amenities is not an end to the problem, it should become means to extend local welfare. It can be achieved only with the committed political will and honest executives. □

## *Municipal Management*

S. K. SHARMA

TOWNS AND cities have been looked at from different points of view. On the one hand, they are seen as the generators of economic growth and are considered the strongholds of modern economic development and progress; on the other hand, they are also seen as social and cultural entities with particular characteristics and atmosphere. However, in recent years what is most talked about is not either of these features, but the abject levels of poverty and in-human living conditions that a large number of city dwellers are subject to.

It is not that prosperity is by-passing cities. Paradoxically, it is prosperity itself, in terms of more jobs and more attractive facilities, that is leading to agglomeration of poor people in cities. Municipal agencies and other institutions are hardly able to cope with this reality in terms of making accessible the required services and housing. One of the reasons, of course, is the resource limitations of a poor country, but the other and more serious limitation is the inability of agencies to bridge the gap between private prosperity and public poverty. Enhanced channelisation of private resources into the city fabric for its improvement is not taking place. Thus, one of the most serious limitations of our cities is that even through the system of taxation and legislation, it has not really been possible to arrive at a meeting point between individual prosperity and city development.

The resource limitations of municipalities in terms of finance and manpower have often been talked about. These are, of course, serious limitations and require adequate intervention in legislative, financial and organisational terms. But the question is, will more of the same ensure success, or do we have to take a different view of urban management altogether?

Urban India today requires solutions which are rooted in our cultural, economic and social ethos. The population which is seen as a burden could, for instance, be turned into an asset where people contribute positively, in whatever small way they can, to the process of city management. Thus, one of the major tasks before municipal governments today is to mobilise private and popular resources in an innovative way for city development. This would not only be a matter of

pumping in finance and giving more teeth to municipalities in legal terms, but also inculcating a development approach which can, over the years, become self-sustaining. The pre-requisites for implementing this kind of development process are outlined in this article. But to begin with, the term urban management itself is briefly examined.

#### URBAN MANAGEMENT

In very simple terms urban management can be described as the bunch of activities which together shape and guide the social, physical and economic development of urban areas. The main concerns of urban management then, would be intervention in these areas to promote economic development and human well being, and to ensure necessary provision of essential services. To what extent these tasks are functions of government depends on laid down political systems, The Nagar Palika Bill is an attempt to increase the credibility and power of local government for greater autonomy and more effective functioning. But whatever the system, the tasks of urban management itself remain unchanged and have to be performed by institutions whatever be the political philosophy. In the last few decades, the tasks of managing urban areas have been assigned to a large number of agencies at local, state and central levels mainly because of the perception that municipalities are not able to cope with the development aspects of urban management. We thus have urban development authorities, water and sewerage boards, electricity boards, state public works departments, highways departments and so on all creating hardware in cities and towns. Unfortunately, these agencies which can perform their specialised functions quite well are often acting in isolation of each other. This is a well known fact which has been discussed time and again without issues actually ever having been resolved. At the roots of this confusion is the fact that due to the lack of clearly laid down programmes and common set of objectives for these agencies it is virtually impossible to coordinate activities. Though this itself is an important task to be performed by a local agency, the problem is that very often at that level skills do not exist for undertaking this task. It is very well to outline what kind of tasks have to be performed but to actually operationalise them requires suitable manpower structures and organisational capability.

It is the aspect of improving organisational capacity to deal with urban management in a practical way development programming and mobilising local resources that subsequent sections will concentrate on. These aspects are crucial preconditions for effective agency intervention in urban areas.

### *Improving Management Capabilities of Municipalities*

It is often stated that municipalities are not even able to perform their limited responsibility of managing urban services and controlling urban development. But to be fair it must be stated that most municipalities hardly have the manpower strength and capability to perform urban management tasks efficiently. To a certain extent there is scope for reorienting the activities themselves but to a very limited extent. The need is far greater for strengthening local bodies not necessarily by increasing the number of persons employed in them but rather in building up just the appropriate kind of skills required for urban management, and also in creating opportunities and incentives for provisionals and people to participate in the process.

Taking the aspect of property taxation, it is common knowledge that municipalities are not fully realising their tax potential. This is, firstly, because properties are under-valued and, secondly, because of the inappropriate system of collection and under staffing. If we consider that tax collectors and valuers have little formal training in performing their duties, which are very specialised in nature, it is no wonder that things are as they are. The Indian municipal tax structure is modelled on the British system. Whereas in Britain the profession of property valuation is extremely well developed, in India it is almost non-existent as far as formal training opportunities are concerned.

Similar is the case of the higher levels of municipal management. Civic management is a specialised task for which most administrators heading municipalities are not specially trained. There are, of course, institutions that conduct refresher courses and management development courses but these are hardly enough considering the need and the turnover and do not in any case cater sufficiently.

It is also relevant to note that even more important than provision of goods and services is the function of maintaining assets created in cities. Public assets such as parks, open spaces, and roads, water supply and sewerage networks require maintenance and up-keep at different levels. The task is often not simply an engineering task. It could also be a task of generating awareness among people for proper use and maintenance. Unfortunately, it is considered the prerogative of the the civic body to maintain whereas for people public property is not considered to be a responsibility at all. On the other hand, experience of involving the community in maintaining hand pumps, water taps and parks and playgrounds has shown adequately encouraging results. It is important that a municipal structure allows space for people to participate and also builds up systems whereby there is a division of responsibility between the civic agency and communities. Now this is a specialised task which is quite different from carrying out civil works, and this is a totally neglected area of municipal management.

The present cadres that man municipalities are hardly prepared for dialogue and partnership arrangements. It cannot be expected that with the kind of educational and professional background they have that they combine a technical task with community organisation and community development. One method is to have a community development wing as a compulsory part of every municipality. This can be a short-term measure. In the long run it is even more important to build up a cadre of well rounded persons who can easily perform this task. Recently, the idea of establishing Habitat Schools for training just such persons has been floated. A graduate of this school would be able to combine simple engineering tasks required for day to-day work with community organisation and development. Such schools are already in the process of being established in different parts of the country, and for the first time it is expected that the qualitative manpower resource gap that exists most glaringly in municipalities can to some extent be filled.

The other kind of skills which municipalities need are those required for involving other sectors in the development process. There are voluntary agencies or non-governmental organisations in almost every town that are in a limited way extending support to communities and also to civic bodies. Encouragement of such organisations can lead to the efficient performance of urban management tasks, especially at the grassroot level without creating large unwieldy civic organisations.

Along with this there are also prosperous citizens and business houses who would like to contribute to city development given proper encouragement and opportunity. Municipalities should be able to involve such people and organisations and make them partners in development. Where the elected representatives in municipal bodies are farsighted and open minded, it has been possible to bring this about. But such involvement should be built into the system rather than be left to chance.

#### *Urban Management Programme*

The other handicap being faced at the local level is the total lack of well worked out urban management programmes. Unless agencies have a common set of goals and targets, time-based and project-based action does not always work to the best advantage of city development. Municipalities have to perform their management tasks in isolation of the development inputs of various agencies. The process also takes a random form because of the lack of programmes. Cities are replete with examples of un-coordinated development even at project level because the priorities of different agencies often do not match and, at times, are even divergent. The wastages in keeping projects and facilities idle for the lack of coordinated action are not exceptions in our cities. It is

also difficult for municipalities to be stranded with areas and services which they are duty bound to maintain but do not always have the resources to do so, on one hand, and often find that changes during project implementation have been made without consulting them causing bureaucratic difficulties in taking over assets and facilities.

It is clear that improvement of living conditions, creation of employment opportunities and streamlining of city activities is the concern of all agencies involved in the process of city development and management and a well worked out programme can serve the interest of all concerned agencies.

It is also important that the aspect of maintenance which forms the main part of municipal work should be built into this programme. Creation of assets does not have very much meaning if resources are not available for their maintenance and up keep.

An essential part of urban management programmes is the link up between hard decisions regarding investment with soft options of institutional configuration. This can go a long way in creating conditions whereby municipalities can function effectively. What is important is that the causes for ineffective functioning of municipalities should be looked at in a broader perspective and tackled at the level at which they occur. It is clear that there are a large number of pre-conditions on the basis of which municipalities can function effectively or not and the constellation of conditions need to be created. The action lies not always at the municipal level.

#### *Resource Generation*

As stated in the section on professional and managerial skills, municipalities need to look at resources in a different manner. The emphasis should be on local resources not necessarily in terms of mobilising financial resources but rather in distributing tasks and making people partners in development in a way that the resource burden of municipalities reduces while at the same time urban management tasks are undertaken.

For the purpose of municipal management it is necessary to separate tasks into hard and soft. The hard aspects of urban management such as provision of infrastructure and services, building, etc., can still be the responsibility of different organisations while the soft task of managing these, so also of creating and sustaining people's groups towards this end and for creating civic awareness can be the shared task of municipalities and voluntary groups. Even for generating resource for creating assets private philanthropic organisations and clubs and citizen groups have been known to contribute generously and can be encouraged to do so. However, such actions need to be worked out and co-ordinated into a well developed programme in which agencies and people's group can make the meaningful contribution.

Encouragement of community action, and creation of training and work centres which are directly related with the kind of inputs required for development of urban areas need to be encouraged. An example in this regard is that of setting up local level building centres. This approach can help in development of building skills and manufacture of building materials and components can take place at the local level for local consumption. With very little capital investment (may be borrowed) such enterprises can be initiated and sustained on local demand. Such options are not often thought of as part of urban management tasks but it is combinations of precisely such activities that can move cities towards better quality of life.

#### *Professional Advise for Municipal Management*

One of the problems experienced by municipalities is inadequate skills within the organisation. On the other hand, it is not feasible to induct skilled professionals and managers on a regular basis because of the costs involved. What then becomes relevant is that state governments should maintain a directory of professionals who are willing to act as consultants to municipalities for formulation of programmes and for generation of innovative resource development projects. These professionals should preferably be available at the local level and should interact regularly with municipalities. This approach is to some extent being tried successfully by Kerala Urban Development and Finance Corporation which is a techno-financing agency for municipal project in the state of Kerala.

#### CONCLUSION

In conclusion it needs to be mentioned that in an approach which looks at devolution of finances or at generating large additional resources has very little chances of success, for the obvious reason that there is a resource-crunch at every level and in every aspect of the economy. If the question of generation of resources is looked at it is important to relate resources with the tasks at hand. Many tasks of municipal management can be performed effectively through the use of non-monetary resources such as involvement of people and the availability of appropriate skills. It can be argued that limited resources can be used more effectively provided the right kind of skills are available and the use of resources is programmed in an effective way so that common objectives and programmes can be worked out for agencies striving towards the same end. That is not to say that external resources are not important but it is also true that access to external resources can also be improved if the skills are available for formulating programmes for better use of such resources. In other words, adequate skills, tapping of non financial

resources and formulation of urban management programmes can go a long way in meeting the urban management challenge and creating conditions in which municipalities can function more effectively.

State and Central Government agencies need to facilitate municipalities in achieving their objectives by creating a conducive, financial and legislative climate. □

# *Improving Municipal Management*

C. S. CHANDRASEKHARA

THE PROCESS of restructuring the elected deliberative wing concurring on it the grassroot level autonomy by the fathers of our Constitution unfettered by state and central legislative, bureaucratic and political controls will achieve an important aspect of our objective. The recasting of the executive, restoring to it the powers to demand, obtain performance and achievements and to punish and reward, will make the executive responsive and responsible to the elected body as well as the people of the Municipal Area. An elaboration of the above tasks is outlined in the article.

The primary objective of strengthening municipal government is to improve municipal management, which in recent years has become practically non-existent, on account of the irresponsibility and the irresponsiveness of the deliberative and executive wings of local government, paucity of resources and unwillingness to raise them, the lackadaisical attitude of state governments and their indifference to the local problems, competitive attitude of state bureaucracy towards the local administrations and also, not least, the political interference coupled with corruption at all levels. The No Objection Certificate (NOC) under the several laws framed by the state governments and governing developmental activity at the local level has become a potent source of illegal gratification and has destroyed the local initiative to manage itself in a total way.

## PRE-REQUISITES FOR IMPROVEMENT

Municipal management, if it has to improve has to become self-reliant and independent to the maximum extent permissible under the statutes. The increasing dependence of municipal government on state and Central governments for resources, for powers, and for execution of projects has caused the local government to become indolent and inactive, allowing even simple problems to be posed at the state level for being dealt with. More than at any other level, the municipal government handles directly the local affairs in all matters relating to the health, welfare and well-being of people of the municipal

area To do these tasks responsibly and responsively, the local government has to fulfil the following basic preconditions:

1. It should be fully responsible to the people of the area it seeks to serve and enjoy their trust and confidence.
2. It should match its activities to the resource it is able to mobilise internally to achieve self-reliance.
3. It should organise itself on the basis of competent and efficient management techniques and performance.

So municipal management can be improved if the deliberative and executive wings of the local body function with clear-cut goals within a time frame, a resource frame and an efficient management frame.

#### COMPONENTS OF MUNICIPAL MANAGEMENT

Today municipal management has primarily the responsibilities for:

1. Public health and hygiene (preventive and protective aspects);
2. Provisions of basic services and utilities, such as drinking water, sanitation, electricity, gas, local transport, etc.;
3. Provisions of primary level community facilities such as primary schools and middle schools (general and vocational), hospitals and primary health centres; recreational facilities for different ages and groups; and
4. Regulating, directing, and promoting growth in different areas of activities, such as housing, commerce (retail and wholesale) industries, services, including recreation, entertainment, etc.

As long as growth of population and expansion of built-up area in a municipality remained slow or stagnant, not many problems surfaced. However, with the rapid growth of urban population and consequent expansion of urban activities in the last four decades giving rise to large demands for services, amenities and facilities, attention to these have become very compulsive even to the extent of the neglect of day-to-day routine management tasks such as collection and disposal of garbage, sanitation, road improvements, revenue mobilisation, etc. Thus the municipal bodies have become helpless spectators of large scale expansion of built up areas and of activities in their respective jurisdictions and are unable to meet even partly the new demands and are unsuccessfully struggling to maintain the existing level of services. Thus, improving municipal management will have not only to upgrade the capability of the municipality to manage efficiently the day-to-day services but also to enable them to meet the growing demands to the extent possible and

beyond that to adopt strategies to deflect the demand to other centres or areas.

The functions of municipal management are set out in Table 1 and categorised as to whether they are daily, weekly, monthly, regular or occasional. Upgrading the capability will mean improving the discharge of each of these functions efficiently, economically and to the satisfaction of the citizen. The improvement in management will involve both the deliberative wing and executive wing. The deliberative wing must provide resources in terms of staff, funds and operational procedures and their monitoring. The executive wing will take the responsibility for carrying out the functions efficiently and economically and to deal with complaints. It should also be in a position to punish negligence or inefficiency and at the same time reward achievements beyond the minimum prescribed.

It will be seen from Table 1 that functions cover both day-to-day maintenance of services and capital improvement programmes in the case of each of the services. These have to go together, as without a long-term improvement programme of the service systems, the growing demand for improved services cannot be met. There are four distinct groups namely Development Promotion, Services Planning and Development, Resource Mobilisation and Training and Capability Improvement. Besides these, there will be general administration, election of deliberative wings as per statutes and personnel management. These are parts of normal functioning of the local body.

#### RESTRUCTURING THE DELIBERATIVE WING

The primary task in the improvement of municipal management will be to restructure the deliberative wing of the local body depending upon whether the local body is a municipality of a town or city, or a metropolitan set up with a two tier governing structure; the improvements will refer to both these situations. The deliberative wing is an elected body, elected under the state municipal law and has a fixed tenure and also powers and functions specifically defined in the municipal law that make the local governing body a creature of the state government and subordinate to it with the proviso that it can be superseded by the state government at any time for various reasons, stated and unstated. Thus, with the sword of democles in the shape of supersession powers of the state government hanging over the local body, the operations of the local body have become very subservient not only to the state government but to the officers of the state government and very often at low levels. Thus no real autonomy to function efficiently exists at the local body level. This fear of supersession has to go in any effort to improve the local government. As the local body is a democratic

institution at the grassroots level, it should be left to the people of that area to retain or to re-elect or to dismiss the local body, depending upon their efficient functioning. Once the apprehension of supersession is removed, the local bodies will have no alternative except to function actively and efficiently or to get thrown out. Thus the clause in the State Municipal Act concerning supersession should be abolished altogether. The same argument which the states advance to the Centre for abolition of its right to dissolve a state government applies equally forcefully to the local bodies.

The second aspect of the local-state relationship is in regard to the financial assistance to be provided by the state government. The state government provides a grant-in-aid and also loans to the local bodies every year, the grant-in-aid being an annual feature and the loans occasional depending upon the needs of the local body, the justification and its acceptance by the state government. While this is a purely budgetary exercise to return back to the local body part of the revenues raised from the local body population, by the state government through taxes, excise and other levies, at the state level this financial assistance is seen more as a favour rather than as a mandatory obligation. This attitude will have to be changed. The state government does not provide charity to the local government. Whatever the state government provides to the local body as grant-in-aid it is local body's rightful share to meet the needs of the people of that area and also to fulfil the obligations which the local government and the state government have towards the people of that municipal area, according to the existing statutes.

#### **FINANCIAL ASSISTANCE TO LOCAL BODIES**

The institution of grants and loans has become, over a period of time, a much misused tool to control and twist the arm of the local government. If municipal management has to improve, this situation has to be changed through several measures. The first of these is to see that grant-in-aid is passed on to the local body at the beginning of the year not on the basis of a budget made by the local body but on the basis of what the state government is obliged to provide to the population of the local body based upon certain norms of sharing with the local body the income generated in the state and the income received from the Centre. The formula for sharing this has been the subject of discussion over a period of time and several state finance commissions have made specific recommendations in this regard. What is necessary is to accept and institute a formula for state grants to flow to the local government un-restricted and at the beginning of the year. Such a step will stabilise the local government operations and greatly enhance

TABLE 1 MUNICIPAL MANAGEMENT FUNCTIONS

| Sl.<br>No.  | Functions  | Nature of functions      |            | Agency to handle |                             | State level |
|---|--|--------------------------|------------|------------------|-----------------------------|-------------|
|   |  | Daily/weekly/<br>monthly | Occasional | Local<br>body    | Metropo-<br>litan<br>P & DA |             |
| <i>I. Development Promotion</i>                         |  |                          |            |                  |                             |             |
|   | Preparation and processing of perspective plan                     |                          | x          | x                | x                           | x           |
|   | Preparation and processing of short-term development programme     |                          | x          | x                | x                           | x           |
|   | Processing of building applications                                | x                        |            | x                | x                           | x           |
|   | Monitoring development and providing feedback                      | x                        |            | x                | x                           | x           |
|   | Capital improvement budgetting inter-agency programme coordination | x                        |            | x                | x                           | x           |
|   | Programme execution coordination                                   | x                        |            | x                | x                           | x           |
|   | Community mobilisation and participation                           | x                        |            | x                | x                           | x           |
|   | Land acquisition, development and management                       | x                        |            | x                | x                           | x           |
| <i>II Services Planning, Development and Management</i> |  |                          |            |                  |                             |             |
|   | 1. Water supply  |                          | x          |                  |                             |             |
|   | Retail distribution  | x                        |            | x                |                             | x           |
|   | Maintenance of service   | x                        |            | x                |                             | x           |

| Sl.<br>No. | Functions  | Nature of functions |                       |   | Local<br>P&DA<br>body | Metropo-<br>litan<br>P&DA | District/<br>region | State level |
|------------|--|---------------------|-----------------------|---|-----------------------|---------------------------|---------------------|-------------|
|            |  | Daily/weekly        | Occasional<br>monthly |   |                       |                           |                     |             |
|            | Collection of rates and charges                          | ×                   | ×                     |   | ×                     | ×                         | ×                   | ×           |
|            | Bulk supply  | ×                   |                       |   |                       | ×                         | ×                   | ×           |
|            | Capital improvements : expansion and additional systems  |                     | ×                     | × | ×                     | ×                         | ×                   | ×           |
| 2.         | <i>Drainage, sewage and garbage</i>                      |                     |                       |   |                       |                           |                     |             |
|            | Maintenance of service lines and systems                 |                     | ×                     |   | ×                     | ×                         | ×                   |             |
|            | Collection of rates and service charges                  | ×                   |                       |   | ×                     | ×                         |                     |             |
|            | Servicing of public lavatories and their maintenance     |                     | ×                     |   | ×                     | ×                         |                     |             |
|            | Street and highway cleaning and street drain maintenance | ×                   |                       |   | ×                     | ×                         |                     |             |
|            | Garbage collection and removal                           | ×                   |                       |   | ×                     | ×                         |                     |             |
|            | Sewage treatment and waste disposal                      | ×                   |                       |   | ×                     | ×                         |                     |             |
|            | Garbage processing and disposal                          | ×                   |                       |   | ×                     | ×                         |                     |             |
|            | Capital improvements : expansion and additional systems  |                     | ×                     | × | ×                     | ×                         | ×                   | ×           |
| 3.         | <i>Electricity</i>                                       |                     |                       |   |                       |                           |                     |             |
|            | Maintenance of bulk service lines                        | ×                   |                       |   | ×                     | ×                         | ×                   | ×           |
|            | Retail distribution including maintenance of services    |                     |                       |   | ×                     | ×                         | ×                   | ×           |

| Sl.<br>No. | Functions   | Nature of functions      |            | Agency of handle |                           |                     |
|------------|---|--------------------------|------------|------------------|---------------------------|---------------------|
|            |   | Daily/weekly/<br>monthly | Occasional | Local<br>body    | Metropo-<br>litan<br>P&DA | District/<br>region |
|            | Collection of consumer charges or rates.  | x                        | x          | x                | x                         | x                   |
|            | Application for new connections and enhanced power supply   | x                        | x          | x                | x                         | x                   |
|            | Capital improvements expansion and new systems  | x                        | x          | x                | x                         | x                   |
| 4.         | <i>Roads and traffic and transport</i>  |                          |            |                  |                           |                     |
|            | Maintenance of roads, bridges, foot-paths, etc., and street furniture including traffic furniture | x                        | x          | x                | x                         | x                   |
|            | Maintenance of highways and trunk routes linked to the urban area including street furniture.     | x                        | x          | x                | x                         | x                   |
|            | Control and regulation of sign boards, etc.   | x                        | x          | x                | x                         | x                   |
|            | Capital improvements.   | x                        | x          | x                | x                         | x                   |
|            | Traffic control and regulation  | x                        | x          | x                | x                         | x                   |
|            | Public transport operation and maintenance  | x                        | x          | x                | x                         | x                   |
|            | Capital improvements to public transport such as depots, vehicles, etc.                           | x                        | x          | x                | x                         | x                   |

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| <b>5. Recreation</b>  | Operation and maintenance of playgrounds, stadia, community pools, gymnasia, etc. | x | x | x | x | x | x |
| Maintenance of parks, wooded areas, open spaces, etc.               | x   | x | x | x | x | x | x |
| Community centres   | x   | x | x | x | x | x | x |
| Capital improvements  | x   | x | x | x | x | x | x |
| <b>6. Fire services</b>   |   |   |   |   |   |   |   |
| Operation and maintenance of fire services.                         | x   | x | x | x | x | x | x |
| Capital improvements  | x   | x | x | x | x | x | x |
| Training and capability improvement                                 | x   | x | x | x | x | x | x |
| <b>7. Markets</b>   |   |   |   |   |   |   |   |
| Operation and maintenance of markets including licensing of vendors | x   | x | x | x | x | x | x |
| Capital improvements: expansion and custodian of new markets        | x   | x | x | x | x | x | x |
| <b>III Resource Mobilisation</b>                                    | x   | x | x | x | x | x | x |
| <b>IV Training and Capability Improvement</b>                       | x   | x | x | x | x | x | x |
| <b>V Miscellaneous Tasks</b>  | x   | x | x | x | x | x | x |

forword planning and mobilisation of other resources, supplementing the state grant-in-aid by the local government.

As regards loans, the state government or financial institutions, as has become the pattern in recent times, provide loans to the local body for its capital improvement projects. No loans should be provided for meeting costs of current management such as salaries, wages, maintenance expenditure, annual costs, etc., as these should be met by the local body solely from current revenues. The loans to be given will naturally be available to local body on the basis of its creditworthiness, the type of project for which loan is sought and a host of other criteria. The availability of the loan should be assured but the option of taking the loan should be with the local body and not with the state government as it is today. The question then arises as to whether the state government should not provide a guarantee for the repayment of the loan to the financial institutions. Such guarantees provided today have become wholly misused, the local bodies totally ignoring the repayment provisions and allowing the state government to become a victim of the financial institutions and making repayment from its funds. This is irrational and undermines the entire system of public debt and credit. This guarantee has done more harm than good. It is preferable that the loan is based solely upon the creditworthiness of the local government and its ability to provide guarantees in terms of its assets to the financial institutions for obtaining the loan. Such guarantees can also be worked out on the basis of collaboration in the project for which the loan is required by the financing institution and the local body. That will ensure that the execution of the project is managed to discharge all liabilities including the loan.

#### BUDGETARY DISCIPLINE

Thus, with the local body freed from the supersession clause, assured of a pre-determinable state grant-in-aid at the beginning of a financial year and the facility of availing of loans from financial institutions for capital improvement projects based solely on the soundness of the project and creditworthiness of the local body, the responsibilities of the deliberative wing of the local body will increase tremendously and it has to work efficiently to fulfil the requirements of management to satisfy the people of the area. Another factor in addition to the above three is that of vesting adequate powers under the statute for the local body to raise resources to meet the demands of managing the municipal area efficiently and adequately. The basic principle in this regard is that the day-to-day expenditure incurred by the municipal body on the various functions listed in Table 1 has to be met within the resources of the local body itself which includes no doubt the grant-in-aid from the state government. The measures to supple-

ment the grant-in-aid would be to raise taxes, levy fees and development charges, undertake commercial activities, collect octroi or a value-added tax so that the total revenue collection should be adequate not only to meet the annual expenditure of the local body but also to build up gradually sufficient reserves to meet debt-charges that may have to be incurred for undertaking large scale capital improvements within the municipal area. It is this principle that has to be very efficiently understood by the deliberative wing and which should exercise its full powers to organise its day-to-day expenditure and revenue collection activities so that they match each other and place the municipal body as a sound creditworthy institution.

The question has been raised again and again that municipal councillors are reluctant to raise property taxes or levy development charges or other levies on the plea that they are afraid that their action will lead to their being not re-elected at the next election. If the local organisation is placed on the footings stated above, this plea becomes untenable, because whoever is elected will face the same situation as without raising the resources the local body cannot meet its obligations and therefore is likely to be thrown out in any case. It is because today local body is dependent on the state government so absolutely and the states desire this to continue for their own self-interests that this argument of the elected people being afraid of losing their seats is brought up again and again. Once dependence of the state government is minimised and the local body is placed on a self-sustaining, self-financing basis, there should be no apprehension for the locally elected councillors to be afraid of being thrown out. This is so amongst all the democratically elected local body councillors in developed countries.

#### EXECUTIVE AREAS OF THE LOCAL BODY

The next task is the improvement to be effected in the executive wing of the local body. The executive wing, which has now as its head the Mayor or the Chairman of the local body with a Commissioner or Chief Executive Officer with a number of administrative, financial, and technical executives, belonging to various disciplines under them has to be restructured in the light of what has been stated above and prescribed for the deliberative wing. Unfortunately, the local level institutions are today saddled with: (1) officers from the state cadres serving the local body on deputation and who, because of their short tenure of two or three years do not get identified with the interests of the local body and who can also manouver to go back to their parent offices in case of difficulties, their personal conveniences and their own advancement, (2) a large body of lower level staff on a permanent basis whose

tenure is so secure and who are so well organised in terms of employee associations that the efficiency in their working is impossible to improve because of the threatening postures they adopt whenever attempts are made to get better output and efficiency from them, and (3) an intermediate group of officers mostly technical who have to work with the two groups mentioned above and are unable to discharge their responsibility fully because of the entransigence of the lower staff and the unconcerned and uncommitted attitude of the senior staff. If municipal management has to improve, it is necessary to bring about changes in all the three.

#### IMPROVEMENTS IN PERSONNEL

While there should be no objection to obtain staff on deputation from state or other cadres specially as the number and level of posts in the local body do not and cannot provide unlimited opportunities for advancement, the tenure of these people and their continuation in their present post and even rewards to them should be based upon their identification with the interests of the local body and the efficient discharge of their functions. They, however, have to be provided one power namely the ability to hire and fire junior level officers and staff for wilful negligence of work unhindered by interferences by the deliberative wing. While power to punish should be there, there should be also procedures for rewarding the efficient people.

Following this, the junior level staff who deal mainly with maintenance of services, some of which are already being taken over by the state government agencies, should be gradually reduced, by a process of privitisation of routine functions such as garbage collection and disposal, public transport, sanitation, etc. These should be entrusted to private entrepreneurs on a contractual basis directly evaluated on the basis of consumer satisfaction with penalties for default. With these two changes, the middle level officers referred to earlier, will get clearly organised into junior executives with definite areas of operations, responsibilities, performance targets and evaluation of achievement so that the executive as a whole will function more tightly and efficiently with clearly stated objectives and goals.

#### STRUCTURE OF THE LOCAL BODY

The structure of the municipal body today consists of a municipal council with elected members with a Chairman and an executive wing functioning under the council with a Chief Executive Officer and several officers constituted into various departments dealing with different functions. For a town or city of up to about five lakh of population,

this structure may be adequate. But when the city becomes larger with a million or more people then a single deliberative body with an executive under it will be unable to handle all the functions and all the tasks that the local body has to perform. A necessity arises at this stage to categorise the functions at two levels, namely those which are purely local, such as cleaning of streets and drains, maintaining the streets and the footpaths, running a water supply system, maintaining parks, playgrounds of that local area, etc. The second category deals with the overall management of the services systems, problems of growth and expansion, policies for the city as a whole, mobilisation of resources, etc. Thus, the two categories of functions one dealing with purely local matters and the other dealing with overall city management would need to be dealt with a two-level set-up. At the city level, there will be a municipal corporation of elected members with a Mayor and an executive with a Commissioner in charge of various departments. At the lower level, there will be a Municipal Council or a Precinct Council comprising elected members assisted by an executive body which works under the umbrella of the main executive. These two alternatives can be envisaged where the Precinct Council may consist of elected members of the Corporation Council and the executive can be drawn from the various departments of the higher level. These will be in the nature of Ward Committees which today functions in many Municipal areas. The second alternative is to make the Precinct Council a duly elected body with statutory powers functioning as a local body, and the Corporation Council to become a Metropolitan Council providing an overall developmental framework and providing and managing the services systems for the city as a whole laying down policies of growth and expansion, organising resource mobilisation, and monitoring the management activities at the lower level. The services at the local level within the Precinct, will be managed by the Precinct Council thus leading to a two-tier elected set up.

The first type is already functioning in many big cities of this country like Bombay, Calcutta, etc., and the second alternative is a pattern for which a good model exists in the examples of the London County Council for the Country and the Borough Councils for municipal areas within the London County. This type of two-level elected metropolitan set up has advantage of ensuring local level autonomy within the broad framework set up by the Metropolitan Council and greater citizen participation and civic response is ensured. In the model that is now functioning in Indian cities, the ward committees are only creatures of the corporation and therefore do not have much of a say and the citizen participation is not adequate. Depending upon the complexities of any particular city, its composition and the manner of it coming into existence the two alternatives can be adopted. For instance, if the city came

into existence as a result of amalgamation of a number of existing municipalities, then the abolition of Municipal Councils of the existing municipalities will give rise to dissatisfaction and curtailing of democratic rights and therefore a two-tier structure with a Metropolitan Council taking charge of overall responsibilities of management for the entire metropolitan area is preferred. Where a big city has come about as a result of untowards expansion on all sides as in the case of Delhi, then the idea of Ward Committees or Local Committees can work but even here it will be worthwhile to explore the possibilities of setting up several Municipal Councils for populations of three to five lakh and an area of 60-80 sq km. The functions to be undertaken by each level organisation is indicated in Table 1.

#### MANAGEMENT OF LARGE SCALE EXPANSION CAUSED BY MIGRATION

The improvement in municipal management has also to deal with another important urgent problem which our municipal bodies are faced with but have not dealt with before. The population in the urban areas, specially the larger cities, is increasing rapidly because of shift of population from the rural areas and small towns into cities in search of employment, better educational and health facilities and improved standards of living. On an average, a large city receives 75,000 to one lakh population every year. Metropolitan cities like Delhi and Bombay receive populations double this magnitude. This population has to be accommodated in the cities; housing has to be provided; water supply, sanitation, schools, hospitals and other amenities will be used by this population and the existing facilities will get over-burdened. The result is that standards of facilities get lowered for all the people in the city except a few privileged. Municipal management has to foresee this kind of growth and provide for them in advance and in anticipation.

This magnitude of growth and also the type of growth that occurs has not been experienced anywhere in the world so far. The procedures for planning, execution, budgeting, monitoring, etc., presently available are thoroughly inadequate to handle this magnitude of problem. Because of this inadequacy, we have large scale unauthorised growth occurring in the peripheries of our cities and on public land in most cities which the municipal management is not able to get rid of as it is a human problem. Further, the population that lives there contributes largely to the services available in the city whether it is domestic services or informal service activities such as venders, rickshaw operators, cobblers, repair shops, etc. It is also important to recognise that the population that has moved into the city or is expected to move into the city is not just a burden but is prepared to become self-supporting provided the

opportunities and facilities are given in an adequate manner.

Today this population is substantially benefitting a section of the city's present population in terms of paying heavy rents for accommodation, purchasing food, cloth and other daily necessities. The commercial and the landlord sections of the city's population reap substantial profits from the activities of this population.

Therefore, the municipal management has to device new strategies, advance procedures anticipating growth and provide for the housing and proper living and working of the incoming population and to make it contribute to the city's revenues through fees, services charges, taxes, etc. If the improvement in the municipal management can collectively take care of this activity, the problems of the city become very much contained and it will be possible to plan for the expansion of services, take up capital improvement programmes, commercial activities, etc., so as to mobilise the resources and to provide the people in the city a reasonable standard of living, working and recreation. The city management's goal should aim at cent per cent self-sustained, self-reliant urban component of the national economy. □

## *Finding Feet for Municipal Personnel Administration*

RAJ NANDY

A SCANNING of relevant literature shows that India has long tried to re-structure and improve upon its municipal personnel policies and practices. For example, the Decentralisation Commission had studied, as back as the year 1907-08 (when the local government in India was not so huge and complex as today), issues like designation of appropriate authorities for appointment of senior municipal officers, namely, the chief executive officers, engineers and health officers. It can also be said to have initiated the process (which has obviously continued down these decades) of formulation of rules in service matters, such as leave, travelling allowance, provident fund, discipline, etc. Soon after Independence, the periodical conferences of the state ministers in charge of local self-government (beginning 1948) have also been doing their bit by focusing on certain aspects of the complex problems of municipal personnel system in India. At least one topic which seems to have received their continuous attention and support over the years is that of provincialisation of administration health, engineering and town planning services of the municipal bodies.

It was, however, the Rural-Urban Relationship Committee,<sup>1</sup> set up in the sixties, which took systematic interest in the creaking municipal personnel machinery and the many disheartening problems connected with it. For instance, it addressed itself—apart from wider issues like “determination of criteria for the demarcation of urban and rural areas”, and “structure and functions of urban local bodies in various states of India”—to personnel problems like pay-scales for municipal employees, their grouping into different types of cadres, controlling authority for transfers and posting, and training, etc. The Committee viewed municipal bodies’ unbridled freedom to hire and fire their employees as the main stumbling block to creating competent municipal administration and, therefore, its most far-reaching appreciation for this particular

<sup>1</sup>*Report of the Rural-Urban Relationship Committee, Government of India, Ministry of Health, 1966.*

problem was its preference for an 'integrated' system for the technical posts (medical engineering) and a similar system for the municipal accounts and audit services. The administrative and revenue services, in its estimation, stood as a different category and, therefore, warranted a separate cadre, i.e., a 'unified' cadre. It also viewed, with favour, the twin strategy of 'open recruitment' and "internal promotions" to build up and maintain the morale of lower employees.

The same decade saw yet another active and official effort in this direction when a committee<sup>2</sup> was appointed by the Central Council of Local Self-Government. Its key areas of concentration were two-fold: (a) to look into the question of improvement of service conditions of municipal employees, and (b) to suggest a pattern of organization for state-wide municipal services. A new dimension to the problem of lower competence of municipal bureaucracy resulted from an observation made by the committee when it took notice of a long-standing and predominant practice of state governments, i.e., of laying down conditions (while giving grants to local bodies, or even loans) that specific works shall be executed through the departments and agencies of the state government. Apparently, this practice almost forced these bodies into some sort of captives in the hands of the state governments and, thereby, prevented them from giving their own employees opportunities to: (a) get first-hand exposure to the hitherto unfamiliar tasks of planning and designing major works, (b) gain new insights and experiences in their implementation process, and (c) to grow and develop into effective administrators and specialists. No wonder, the idea of "unified municipal cadres" appealed to this committee as well as the only means of developing the capabilities of municipal staff and their efficiency. It also stressed the eventual integration of municipal services with corresponding categories of state services (this recommendation grew out of the Committee's operational consideration of letting the municipal services gain the same social prestige and conditions of services as were enjoyed by the state services).

An interesting feature of this whole debate about municipal personnel systems is that almost every successive committee/study group which made assessment of the problem came to the same conclusion: unless state-wide cadres of municipal employees are constituted, the quality of municipal administration is bound to suffer. This was also the message of the two Task Forces, one appointed by the Union Ministry of Works and Housing in 1975<sup>3</sup>, and the other by the Planning

<sup>2</sup>Report of the Committee on the Service Conditions of Municipal Employees, Government of India, Ministry of Health, Family Planning and Urban Development, 1968.

<sup>3</sup>Report of the Task Force on Planning and Development of Small and Medium Towns and Cities, Government of India, Ministry of Works and Housing, New Delhi, 1977.

Commission in 1984<sup>4</sup>.

However, despite these repeated calls for adoption of the unified and/or integrated approach, the evidence suggests that neither of the two systems has been applied in its entirety in any of the states in India (say, Rajasthan and Tamil Nadu). Indeed, what is true of the unified and integrated systems in this respect is almost equally true of the separate system (Gujarat, for example, where the state government—acting through its Director of Municipalities—still decides as to how local bodies shall operate in certain situations).

In concluding his comments on the recommendation made by the Planning Commission Task Force (1983) that the formation of state cadres for key positions in municipal management is at the heart of municipal administration reforms, a critic has contended that the "arguments used by it are theoretical and based on certain presuppositions favouring its own preference for unified municipal personnel system".<sup>5</sup> While there is some validity to this charge, it may, however, be quickly pointed out that almost the same indictment could be written against any preference for the 'separate' personnel system because all the efficiencies or inefficiencies of this approach in the contemporary Indian conditions can never be known *intimately* unless there exists in India a 'separate' system in the full sense of the term and is, then, *thoroughly researched*. The fact of the matter is that each type of these three personnel systems has its advantages and "it is"—as a publication brought out by the Public Administration Division of the United Nations has pointed out—"for each country to decide which system is the most suitable for it, considering its *particular circumstances*".<sup>6</sup> And if one lumps together *all* the "particular circumstances" which have continued to surround the local government operations in India and which, on closer inspection by so many committees, turned out to be similar in most Indian states (blushingly low pay scales for employees, extensive patronage by local councillors, poor promotional opportunities, etc.) the 'presuppositions' and 'preferences' of all these various committees and task forces for the 'unified' and/or 'integrated' systems do not appear to be irrelevant or wrong. As for lack of empirical support to this conclusion, one is inclined to say that, at times, intuitive experiences or judgments in human life have proved to be far more illuminating than empirical

<sup>4</sup>*Report of the Task Force on Management of Urban Development*, Government of India, New Delhi, Planning Commission, 1983.

<sup>5</sup>Asok Mukhopadhyay, *Municipal Personnel Administration: A Comparative Study of Unified and Separate System*, New Delhi, Indian Institute of Public Administration, 1986, p. 28.

<sup>6</sup>*Local Governments Personnel Systems*, New York, United Nations, Department of Economic and Social Affairs, Public Administration Branch, 1966.

explorations. We must also appreciate the fact that all the municipal 'pundits' who sat on those study groups and felt driven to this conclusion were no charlatans but forward-looking people, representing a great variety of talents in this field of inquiry—ministers of local government (at the Centre and in the states), the generalist policy markers, the functionally-specialized administrators, academicians, expert advisers to the Planning Commission, and people with proven leadership in municipal administration for long periods. In any event, before one comes back to argue the case in favour of 'autonomy' for local bodies (or separate personnel system)—at least, for the near future—a note of caution seems to be in order: Can the local bodies be left solely to the care of the present-day politicians in view of the increasing criminalisation of politics in the country today? How does one take this kind of 'politics' out of the municipal scene by sticking merely to separate municipal personnel system?

There is yet another important reason that has, often, resulted in the local bodies shunning the separate personnel system—and, i.e., their failure to obtain competent technical personnel. Indeed, it is ironic that even the fact of India today enjoying the unique distinction of having the World's third largest pool of trained manpower (next only to the US and USSR) is of no relevance or use to the traditionally money-starved municipalities. For, in order to employ these now freely available technically-trained people (engineers, town planners, etc.), they must pay higher salaries. But, to pay those salary levels, the municipalities themselves must have more money—a battle they lost, and a vicious circle they got into, quite sometime ago.

Despite some of their documented demerits, there appears to be some value in the 'unified' and/or 'integrated' approach from another angle. In a vast, developing country like India where local bodies have been accorded a development role, transferability of personnel is important if those institutions, operating in remote and relatively backward regions of the country are to obtain technically competent people. And, it is only either of these two personnel systems which provides this advantage—not to speak of others.

The 'demerits' of these approaches can, of course, be rectified through: (a) helpful changes in the policies and attitudes of state governments towards the problems faced by the local bodies, (b) systematically-designed training programmes for municipal staff as well as councillors and, above all, (c) improved personnel management policies and practices—both at the State Directorates of local bodies as also at the municipalities level.

For example, all those state governments which have so far avoided taking a holistic view of the salary structures and inflationary pressures in the economy must direct their attention to issues like pay standardi-

zation, *i.e.*, "equal pay for equal work", for all the state and municipal employees, and, thereby, ensure uniformity in their salaries and other service conditions. It is well known that in countries like the Netherlands where the local authorities are responsible for administering their own personnel systems, there is a great deal of uniformity in personnel matters between the local authorities and national government. Indeed, this uniformity exists even in terms of management tools, such as, job classification and if some local authorities that are using a different format for describing the employees' duties and responsibilities, they must pay the salary prescribed by the state for that class. Similarly, in many other countries like Finland, Britain, New Zealand, Norway, and France salary-scales and other service conditions of local bodies employees are in no way inferior to those prevailing in the national service (in France, the process of achieving such consistency is said to have taken a very long time to mature). The upshot is that the local bodies in India would find it impossible to recruit qualified persons so long as they are not helped to pay salaries that are equal (or, roughly comparable) with those paid by the State and Central Governments. Of course, it is a moot point whether high wages would also succeed in eliminating corruption from the municipal bodies and create an incorruptible workforce? For, corruption is not exclusively an 'organizational' phenomenon but a 'social' malady. At least, the incentive value of high wages can be expected to curb yet another widely-spread organizational ailment in Indian municipalities, namely, the tendency among the lower employees to work in more than one job, thus, dividing their time and energies amongst various locales and activities and, thereby, reducing their effectiveness at the municipal jobs.

The state governments can also help the local bodies in many more ways, say, by making the Directorates of Local Bodies far more effective than they currently are, and encouraging them to provide positive leadership to local bodies in various operational areas of personnel management than restricting themselves merely to 'control' functions. In this connection, we may turn to an area which seems to have generally never appealed to the typical Indian local councillor, *i.e.*, the "merit system" idea in the appointment of lower-level employees and that of "non-interference in matters like transfers and/or retention of middle-level/higher officials in municipal bodies"—a role or conduct to which, incidentally, much of the indiscipline and inefficiency within the local bodies is, often, ascribed to. Let the Directorates at the state-level launch carefully-designed training programmes (with the help of personnel specialists) which shall be aimed at: (a) revealing—through the use of detailed case studies—the pernicious effects of patronage on the effectiveness of local bodies, and

(b) convincing the councillors of the 'merit' of being the exponents of the "merit system" rather than being its adversaries. Studies<sup>7</sup> done in the United States have shown that progressive organizations there prefer investing considerable amounts of money and care in their recruitment programmes so as to ensure the elimination of the obviously-unfit at the "entry level" itself; for they have discovered that these initial costs of selection eventually turn out to be minimal in comparison to be enormous "post-selection" losses resulting from induction of inefficient people. It should be possible, with the help of case materials picked up from real-life Indian situations in local bodies, to arouse the awareness of our councillors that : (a) in ultimate analysis, their wasteful practices of nepotism or favouritism (nearly resembling the 'spoils system'), when seen in the wider social context, run counter to the collective interests of the communities they are elected to serve, and (b) that the municipal employees are paid by the "tax payers" and, therefore, they are supposed to give their first and foremost loyalty and service to their real political masters (the people) and none else. The development of such values and perspectives in the local political leadership (many of them getting elected by virtue of family wealth/position, tradition and hence, not really trained to assume responsible public offices) is an essential pre-condition to the process of strengthening municipal personnel administration. In other words, the learning about this learning (appropriate values) must take place before the latter can be translated into action.

As for developing and improving the knowledge, skills and motivation of municipal employees, it is absolutely essential to differentiate between 'educational' and 'training' programmes—the former being much broader in scope and meant to prepare people for their 'future' responsibilities, and the latter intended to increase the proficiency in a particular job, "here and now". Too many of the courses that are usually run (no matter however well-planned and conducted) in most training institutions and attended by municipal officials these days are "canned courses" and of the 'educational' type and, therefore, are a flat failure when it comes to training these officials do their immediate jobs better. Hence, a second major area of training in which these Directorates could revamp themselves (by associating training specialists) is that of enabling local bodies analyze and identify their specific training needs and, then, help organize programmes in which training shall be directly related to the jobs the municipal officials do and assist them in plugging the deficiencies they suffer from. Inculca-

<sup>7</sup>Lawrence A. Klatt, Robert G. Murdick and Frederick E. Schuster, *Human Resource Management*, Columbus, Ohio, Charles E. Merrill Publishing. 1985.

tion of a "service-oriented" attitude, polite speech, adequate information to the lowliest citizen who comes to the town hall—are, for example, some of the training needs whose value and scope throughout the local government in India is so extensive that none but the Directorates could properly appreciate and undertake in their entirety. As a part of this effort, a training programme on a pilot basis could be undertaken in one town and, later, carried on in other towns.

Or, may be, it would be far more desirable to establish, on a permanent basis, a "personnel management assistance unit", as an adjunct to the Directorate, which would conduct research in personnel matters to help the state governments attain precise and well-defined personnel policies and practices as well as in personnel problems peculiar to the needs of local bodies. As the new ideas of personnel management or human resource management (HRD) have not penetrated the management thinking in municipal world at all, there is an urgent need to take a searching look at the personnel management framework in each local body and bring these ideas and techniques closer to the core managerial activities there, especially to the line managers. It is, of course, true that some grudging innovations have been introduced in this field in some states, but these have been found to be neither expertly-designed nor aggressively implemented.<sup>8</sup>

Rapid urbanization has enlarged the growth and size of the municipal bureaucracy over the years. No wonder, there are enormous problems on the 'personnel' front, including a strong resistance to change from vested interests. It need hardly be stated, therefore, that even the best intentions behind the suggestions made above shall be defeated if these are not sincerely administered by men of independence and integrity at the top. □

<sup>8</sup>Raj Nandy, *Developing Small and Medium Towns*, New Delhi, Indian Institute of Public Administration, 1985, pp. 195-201.

## *Strategy to Improve Financial Flows to Urban Local Bodies*

VINAY D. LALL

THE INADEQUACY of financial flows to the urban infrastructure sector has been long recognised, most recently by the National Commission on Urbanisation (NCU). Recommendations have been made by several committees and independent experts on improving the financial flows through a mix of measures like rationalisation of the tax system of local bodies, promotion of State-Local Government transfers on a statutory basis, restructuring price policies of urban service and establishment of new institutions for financing the programmes of local bodies. A study of such recommendations suggest that they have been made more often than not, without adequate homework and rarely is an attempt made to follow up the recommendations with structured action plans to implement them. This has happened with the Seventh Plan and the NCU proposal to establish a specialised institution to finance urban infrastructure projects of municipal and other local bodies.

The NCU has, for example, made a series of recommendations to accelerate financial flows to the urban sector. It has recommended, for example, a quantum jump in plan outlay for urban development from four per cent of total plan outlay in the Seventh Plan to eight per cent in the Eighth Plan and an annual outlay of Rs. 3,000 to Rs. 3,500 crore for investment in infrastructure in 329 cities with potential for Generating Economic Momentum (GEM's) and 49 Spatial Priority Urbanisation Regions (SPUR'S). NCU has also recommended a series of new initiatives like leasing companies, joint ventures, sectoral financial institutions and statutory state local body transfers, apart from rationalisation of some of the existing taxes of local governments and introduction of a few new ones, particularly vacant land tax.

There is, however, little evidence in the NCU Report on how its recommendations may be implemented, the projected additionality in financial flows through the proposed institutional, pricing and tax measures and their likely impact on urban development programmes.

The NCU recommendations nevertheless, bring together a large mix of policies and initiatives that could provide a perspective in which some of the strategies to improve financial flows to urban local bodies may be examined. In this article, I assess two strategies, one relating to a quantum jump in plan outlay and the other concerning the institutional system that may be developed to reduce the dependence of urban local bodies on plan and budgetary support.

#### PLAN OUTLAY STRATEGY

The NCU recommendation of a quantum jump, doubling the plan outlay on housing, water supply, and urban development programmes is a soft option that is often advocated for raising financial flows to any specific sectoral programme. The idea behind such a proposal invariably is that if a demand is made for a 100 per cent increase, it might be possible to attain a 50-60 per cent increase. The strategy assumes that other sectors will either not make similar demands for additional allocations or that their own demand is more relevant to economic growth and therefore more likely to be accepted by the Planning Commission. The desirability of bringing out clearly the dependence of investment in other sectors on prior investment in the desired sector, here urban infrastructure is hardly brought into focus. The most serious limitation of the 'quantum jump' strategy is that it encourages *ad hocism* in resource allocation policy and therefore fails to provide a long-term solution to the problem of financial flows. The strategy also introduces an element of uncertainty in project formulation and implementation.

My own impression is that the present level of financial flows in the urban sector is much higher than the four per cent of total plan outlay, highlighted by the NCU. Possibly a guesstimate of 10 per cent may indicate the position more realistically, if we take into account the urban infrastructure component of investment in major industrial and other projects undertaken by Central and state ministries, the public sector and the private sector. There is no system of accounting available at present that brings out the totality of investment in the urban infrastructure sector. Urban infrastructure investment in the industrial sector, for example, is generally included in the plan outlay of the Ministry of Industry, similarly, urban infrastructure investment in projects of the energy sector, the railways, etc., are included in the plan outlays of the respective ministries. The lack of a nodal Ministry to monitor all urban infrastructure-related investment has lead to an under-estimation of the actual plan outlay to the urban sector. A higher existing level of plan outlay to the urban infrastructure sector does not, however, suggest that there is no need for further enhancement of plan outlays to this

sector. It only emphasises the need more clearly and suggests that the starting point for negotiations for additional plan outlay should be at a higher level than brought out by the NCU.

Realising this problem, the Ministry of Urban Development, Government of India has requested the Society for Development Studies (SDS) to assess the urban infrastructure component of investment in major industrial projects. This on-going study is generating data on infrastructure investment in township, housing, water supply, approach road, in projects of selected public sector undertakings and projects financed by all-India industrial finance institutions like the IDBI and the IFCI. The study, being conducted on case study basis, would assess the urban infrastructure component in industrial investment in sectors like heavy engineering, petro-chemicals, steel and metal products.

The case for raising the plan outlay for urban development will be strengthened if it can be demonstrated that lack or inadequacy of urban infrastructure is one of the contributing factors that lead to delays in project implementation and hence time and cost overruns, as well as restricts the adequate or full utilisation of installed capacity. Discussions with financial institutions reveal that inadequacy of social infrastructure in major industrial projects is definitely a contributory factor. The qualitative impression will have to be quantified to some extent.

An appropriate strategy is required to introduce an element of elasticity in financial flows for urban development projects linked to investment in demand-generating sectors. An automatic in-built mechanism to ensure the requisite increase in plan outlay for urban development programmes must be necessarily based on a linkage of urban infrastructure investment with projected growth in major sectors of the Indian economy (say, industry, energy, transport), as reflected in their investment programmes.

The formulation of this strategy will need the determination of norms on minimum and optimal urban infrastructure investment needs on the basis of the available data on ratio of urban infrastructure investment to total project investment in the selected sectors, both for healthy and 'sick' projects. The infrastructure project norms can then be fixed at sufficient level of disaggregation, by industry group, location and size of investment. The norms will strengthen the case of the urban sector lobby for raising plan outlays on a continuing basis, depending on the envisaged increase in infrastructure demand that will be generated by larger plan outlay in major urban infrastructure demand-generating sectors of the economy.

## INSTITUTIONAL INFRASTRUCTURE

### *Joint Venture Strategy*

A popular strategy advocated in recent years for accelerating financial and other input flows into sectoral development programmes is that of promoting joint ventures. Under this scheme, the overall control would be in the hands of the public sector but management and/or implementation of the project and mobilisation of much of the resources, including financial resources, would be the responsibility of other project partners, basically the private sector. In the area of urban infrastructure and services, joint sector projects would cover only income-generating activities. The possibility of the private sector also 'adopting' certain urban services to derive fiscal reliefs has also been suggested.

While the argument to promote private sector participation in projects concerning urban infrastructure and services is based largely on the need to increase financial and other input flow and efficiency, some advocates of the proposal base it on the 'payment' criteria: as the private sector investment generates demand for urban services and results in deterioration of existing services, it should be made to finance the creation of additional services. The ultimate goal is, however, identical, namely, to increase financial flows.

While the strategy of joint venture in urban infrastructure programmes needs to be adopted in selected income-generating services, care will have to be taken to ensure that the participation of the private sector brings in additional financial flows. If the private sector partners are going to largely depend on the existing and proposed public sector financial institutions to mobilise the finances, the incremental financial flows to the sector is unlikely to be substantial. From the financial flow point of view, therefore, the joint venture strategy should be conditional on a certain minimum additionality in financial flows to be generated by the private partners and this minimum generation may be between 25 per cent and 60 per cent of the total project cost.

### *Leasing Company Strategy*

The strategy of leasing company has been implemented quite successfully in the Indian industrial sector for financing capital assets. Normally the leasing strategy has been used to finance plant and machinery components of the project and not the physical components like land, factory and office premises and assets like roads, housing, etc., though there is nothing to prevent the extension of leasing business into financing urban infrastructure assets. A possible problem in financing infrastructure and services is that the leasing company provides the assets on lease for use by the client and on the completion of the lease period

generally coinciding with the normal financial 'life' of the asset and/or on it getting obsolete, the asset is taken back by the leasing company and if required by the client, replaced by a new asset. The leasing company is able to ensure profitability in the operations as it is allowed to make deduction of depreciation and other allowances of the assets from its income tax base. The ownership *per se* remains with the leasing company.

In the case of infrastructure assets, the life-span is substantially longer than in the case of industrial plant and machinery and the local body may also like to own the asset. In such an eventuality, the leasing company would not be able to claim depreciation and the programme might become unattractive to it. Equally important is the method of financing to be adopted by the leasing company for creating their assets. If it is going to largely depend on the public financial institutions to finance the operations, the important objective, additional financial flows, may not be attained.

#### *Specialised Financial Institution Strategy*

While the strategies of joint ventures and leasing companies is unlikely to ensure significant additionality in financial flows to the urban infrastructure sector, the third strategy, of a new specialised financial institution, may be more relevant. The NCU has recommended the establishment of a National Urban Infrastructure Development Bank with a paid up capital of Rs. 250 crore, and earlier in 1983 the Planning Commission's Task Force on Financing of Urban Development had recommended the establishment of an Urban Development Bank. In fact, the Seventh Plan included the establishment of an Urban Infrastructure Development Finance Corporation (UIDFC) with a initial seed capital of Rs. 55 crore as one of the major institutional development projects for the urban sector.

The Seventh Plan project of the UIDFC has, however, not made much headway. The Ministry of Urban Development, Government of India had set up a high-level Committee in March 1987 to establish the viability of the UIDFC. This Committee was expected to examine and recommend the types of urban infrastructure and water supply and sanitation schemes that may be financed, the lending terms, interest rates and subsidy element for different schemes, ratios and mixes of unremunerative and remunerative projects for ensuring cross subsidisation as well as institutional viability, avenues of resource mobilisation, etc. The Committee did not make much progress as the Government of India took a decision to defer the issue for want of financial resources. The Ministry of Urban Development, subsequently decided to establish a separate window in the HUDCO for financing urban infrastructure programmes, pending the establishment of the UIDFC. A sum of

Rs. five crore out of the proposed Rs. 55 crore seed capital for UIDFC was released to HUDCO for this purpose.

The issue is, therefore, not whether a specialised sectoral financial institution is required for urban infrastructure programmes but what should be its objectives, how best to operationalise the Seventh Plan scheme at the earliest and what is likely to be the scale of its operations, keeping in view the potential demand for urban infrastructure finance.

#### **URBAN INFRASTRUCTURE FINANCE DEMAND: SOME ESTIMATES**

There are no official estimates available on the urban infrastructure finance demand, either at the level of the government (Planning Commission, Ministry of Urban Development) or existing financial institutions that support urban infrastructure programmes as part of their shelter sector programme (HUDCO, LIC, GIC, Banks). There are two components of urban infrastructure finance demand namely, that generated by investment in housing and by investment in other economic activities like industry, transport, energy, trade, commerce, etc. In this article an attempt has been made to estimate the urban infrastructure finance demand originating from projected investment in housing, which may possibly account for the bulk of the urban infrastructure finance demand.

Urban infrastructure finance demand is estimated on the basis of available data on projected demand for housing stock and the requisite finance required to create this stock up to 2000 AD.

It is estimated by the Ministry of Urban Development, Government of India in one of its papers for the Eighth Plan Working Group on Housing that the total investment required to finance the projected housing demand from 1981 to 2000 AD will be Rs. 1,82,000 crore. It is expected that almost two-third of this investment will be in small and medium towns, 26.1 per cent in the metros and 7.4 per cent in the rural areas. An investment of Rs. 35,000 crore was made during the period 1981-82 to 1985-86 and the housing investment needs have been estimated at Rs. 1,47,000 crore between 1986-87 and 1999-2000, that is Rs. 10,500 crore per annum. The detailed composition of this investment by income groups like EWS, MIG and HIG is presented in Table 1.

A set of two estimates have been made of infrastructure investment demand linked to the projected housing investment demand. In the first projection, infrastructure investment has been estimated at 25 per cent of housing investment on the basis of HUDCO's experiences in major township projects of State Housing Boards and Development Authorities. As per this methodology, infrastructure investment demand is estimated at Rs. 36,421 crore up to 2000 AD or Rs. 2,600 crore per annum. It might be, however, more realistic to assume different norms

TABLE 1 PROJECTED INVESTMENT DEMAND FOR HOUSING AND INFRASTRUCTURE, 1986-87 TO 1990-2000

(Amount in Rs. Crore)

|  | Rural  | Metros | Other towns | Total   |
|--|--------|--------|-------------|---|
| <i>A. Housing Investment Needs</i>                     |        |        |             |   |
| 1. Pre-1981 backlog                                    | 5,030  | 1,320  | 3,255       | 9,605   |
| 2. 1981-2000   | 8,450  | 46,300 | 1,17,750    | 1,72,500  |
| (a) EWS  | 8,450  | 8,800  | 12,150      | 29,400  |
| (b) LJC  | —      | 9,900  | 31,600      | 41,500  |
| (c) MIG  | —      | 22,000 | 63,600      | 85,600  |
| (d) HIG  | —      | 5,600  | 10,400      | 16,000 <sup>a</sup>                                       |
| 3. TOTAL (1+2)   | 13,480 | 47,620 | 1,21,005    | 1,82,105  |
| <i>B. Housing Investment Made 1981-82—1985-86</i>      |        |        |             |   |
| 1981-82—1985-86  | 2,590  | 9,135  | 23,275      | 35,000  |
| <i>C. Housing Investment Needs 1986-87—1999-2000</i>   |        |        |             |   |
| 1986-87—1999-2000                                      | 10,890 | 38,485 | 97,730      | 1,47,105 <sup>a</sup><br>(Rs. 10,507)                     |
| <i>D. Infrastructural Investment Needs<sup>b</sup></i> |        |        |             |   |
| (a)  | 2,696  | 9,524  | 24,201      | 36,421<br>(Rs. 193)* (Rs. 680)* (Rs. 1,729)* (Rs. 2,602)* |
| (b)  | 1,348  | 9,524  | 18,151      | 29,023<br>(Rs. 96)* (Rs. 680)* (Rs. 1,297)* (Rs. 2,073)*  |

<sup>a</sup>35 per cent of HIG estimated investment is assumed to be in metros and 65 per cent in other towns, based on similar proportions for total estimated MIG investment.

<sup>b</sup>It is expected that housing investment will increase by 30-35 per cent in each successive 5-year period, over the 1981-86 level of Rs. 35,000 crore to Rs. 7,000 crore per annum.

<sup>a</sup>D1 : Assumed at 25 per cent of C for rural, metros and other towns; and D2 : Assumed at 12.5 per cent of C for metros, but 12.5 per cent for rural and 18.5 per cent for other towns giving an overall average of 20 per cent.

\*Figures in parentheses for item A3 are per cent of total and for items C and D are amounts per annum.

SOURCE : 1. Item A and total of Item B and C from Ministry of Urban Development (1989) Paper for Eighth Plan Working Group on Housing.  
2. Other items estimated by author.

to estimate urban investment demand on the basis of projected housing investment for different sized-towns and the rural areas. Accordingly, a second estimate has been made of infrastructure investment demand at Rs. 29,023 crore or Rs. 2,070 crore per annum. This estimate assumes that infrastructure investment in rural areas will be at 12.5 per cent of projected housing investment, at 18.5 per cent in small and medium towns and 25 per cent in the metros. The projected infrastructure investment in rural areas, metros and small and medium-sized towns are presented in Table 1.

In the perspective of the estimated demand for urban infrastructure investment the need for a specialised institution is clearly evident. The above demand estimates, however, relate to direct shelter-related infrastructure and it is likely that non-shelter related urban infrastructure demand may be about 0.60 per cent of the shelter-related urban infrastructure investment demand. In other words, the total urban infrastructure demand up to 2000 AD may be around Rs. 45,000 crore to Rs. 55,000 crore or about Rs. 3,000 to 4,000 crore per annum.

#### OBJECTIVES OF AN URBAN INFRASTRUCTURE FINANCE INSTITUTION

The proposed Urban Infrastructure Finance Institution should not merely be a financial institution but function as a Development Bank in the urban infrastructure sector. This role was envisaged by the Planning Commission's Task Force on Urban Development and would be in line with specialised financial institutions like the Industrial Development Bank of India and the National Housing Bank. The following objectives are, therefore, proposed:

1. to mobilise resources from the capital market, through floatation of debentures, urban bonds and other instruments;
2. to mobilise household savings, linked to an integrated housing programme;
3. to provide advisory and consultancy services to municipal bodies, development authorities and others concerned with the creation and maintenance of urban infrastructure, particularly in areas like resource mobilisation, pricing policy, low-cost infrastructure creation and low-cost maintenance services;
4. to function as a development bank in the urban infrastructure sector;
5. to promote R and D in low-cost urban infrastructure design, technology, materials, etc.; and
6. to provide training to local bodies, development authorities and others concerned with urban infrastructure programmes, as well as to policy makers and administrators.

#### PROCESS OF ESTABLISHING THE SEVENTH PLAN PROPOSAL

It is very unlikely that the proposed Urban Infrastructure Finance Institutions can be established within the Seventh Plan period and most likely the institution may become operational in the first year of the Eighth Plan. However, to ensure this, it will be necessary to take early decisions on the process of establishing the institution. Two issues will have to be given high priority in the decision-making process.

These are:

1. To establish the new institution in the shortest possible time; and,
2. to ensure that it functions as a financially viable institution.

A strategy to establish the Urban Infrastructure Finance Institution in the shortest possible time will have to consider two alternatives; creating a new institution or a subsidiary of an existing institution. My personal experience with the preparatory work that was required to implement the Seventh Plan programme of a new financial institution for housing (the National Housing Bank) has convinced me than an enormous amount of preliminary work and much time is called for before a new institution comes into being. The proposal has to have strength to obtain approval of a series of ministries and departments of the Government of India (the nodal Ministry, the Finance Ministry, the Planning Commission, the Cabinet Secretariat, the Committee of Secretaries) and also the Reserve Bank of India. It took two years of the Seventh Plan to translate the plan proposal into a government decision and only after a high-level RBI Committee recommended it. But in spite of the Prime Ministers' announcement of the Government of India's decision on the NHB in his Budget Speech of February 1987, ten months elapsed before the NHB Bill received the assent of the President, in December 1987. Its Chairman was appointed about six months later and the first major scheme was floated only a year thereafter. If the strategy of establishing—a new institution is adopted, it is unlikely that the urban infrastructure financial institution will be one of the success stories of the eighties.

On grounds of economic and financial viability, the problem of gestation period of a new financial institution has to be kept in view. In terms of access to the capital market and other resource mobilisation sources, a subsidiary of an existing institution is certainly better placed than a new institution. Human resources will also be required to be inducted and trained and institutional and physical infrastructure would have to be created before any operation can commence. It may be recalled that the NHB took more than one year after its Chairman and staff took charge to float its first national level resource mobilisation scheme, the Loan Account Scheme, in July 1989, and that too, through the institutional network of the established banking system and not on its own. NHB's contribution in this scheme is basically its formulation, while the marketing and servicing functions have been delegated to the banking system.

In this context, it becomes a more realistic proposition, given a limited time horizon to operationalise the proposed Urban Infrastructure

Finance Institute, to establish it as a part of an existing institution or as its subsidiary (IDBI and NHB were created as subsidiaries of the RBI) and subsequently, after the institution has developed and become a viable organisation, de-linking it from the mother institution, if necessary (as in the case of the IDBI). □

## *Establishment of National Bank for Urban Development (NABUD)*

P.S A. SUNDARAM\*

THE ACCELERATION in the rate of urbanisation has drawn increased attention to the inadequacies in the existing urban infrastructure in providing essential urban services. Since the level of urbanisation will continue to increase, and perhaps would go up to 50 per cent over the next 30 years and will require substantial additions to the urban population, the financial needs of urban development would continue to increase indefinitely. Even as the demand for urban services has increased tremendously, specially in larger cities, both to sustain the efficient growth of the city economy and to meet the basic needs of different sections of the population, the capacity of the local body to meet these demands has declined owing to financial and structural reasons. The financial base of municipal bodies over the last four decades has become increasingly fragile and uncertain, and they are finding it difficult to maintain even the existing low levels of services, or meet essential expenditure on staff out of the revenues that they are able to generate from tax resources. The resource structure has weakened over the years as they increasingly depend on the state governments for both plan and non-plan funds. The municipal bodies balance their budget by failing to perform some of the functions expected of them and by postponing their obligatory functions. Although the municipal finance operates on the presumption of fiscal autonomy, municipal bodies display a lower level of fiscal equilibrium in the absence of any systematic method of transfer of states' resources to support municipal activities coupled with the requirement of balancing the municipal budgets through known source of municipal revenues.

The present unsatisfactory state of municipal finance is partly the result of existing fiscal arrangements based on the separation of developmental and maintenance roles for urban public services. While the plan funds for urban development are spent through a variety of state

\*The views expressed in this article are those of the author alone, and do not reflect the views of the organisation to which he belongs.

agencies, the assets created are transferred to the municipal authorities for maintenance without assuring to them the consequent non-plan assistance. Thus, the plan size for urban development is fixed without any reference to the size of the committed budget for urban public services so that at each successive stage of the plan expenditure, the backlog deficit for its maintenance goes on increasing since elected bodies are not involved in the execution of capital works by the functional agencies.

If the logic of municipal fiscal autonomy is the ultimate conclusion, as implied in the proposed constitutional sanction for urban democracy, the separate listing of functions and resources should imply that its own resources are adequate to meet most of its expenditure commitments, the balancing item being devolution from state funds. It has been concluded in the recent Nagarpalika Sammelan that the functional agencies for municipal infrastructure should be considered as undertaking planning and construction activities on behalf of municipal bodies, and, as far as possible, municipal bodies themselves should be strengthened to discharge the functions. This calls for the integration of municipal and state plans for ensuring the availability of sufficient capital and maintenance funds for urban development. The harmonisation of the municipal budget and the state budget would call for periodic constitution of the Finance Commission in order to undertake exercises to determine the pattern of systematic and predictable devolution of state funds for local bodies and central assistance for local bodies, subject to the requirement of optimum mobilisation of resources and the exercise of fiscal discipline by local bodies themselves.

The investment requirement of urban infrastructure has been estimated by a Task Force on Financing of Urban Development set up by the Planning Commission in its report submitted in 1983. The estimates were made on account of investment requirements due to: (a) increase in the urban population; (b) capital replacement associated with (a); and (c) replacement of capital stock in 1981. The requirement of the investment for the period 1980-81 ranged from Rs. 6,000 crore to Rs. 10,000 crore on constant price. The requirement for the subsequent decade ranged from Rs. 15,580 crore to Rs. 26,000 crore at 1980 prices. About 30 per cent of the investment would go to the metropolitan cities, 40 per cent to the cities with population between one lakh and one million, 30 per cent to the other towns. The per capita cost of providing this urban infrastructure would range from Rs. 750 to Rs. 1,500. The cost varies across different towns. There is scope for considerable economy by use of innovative layouts in residential development and by shifting to low cost techniques of sanitation, transport, etc. Even as additional requirement of urban population are provided for, the need for adequate maintenance of existing capital assets, has to be recog-

nised and built into the municipal financial system through the levy of user charges and the devolution of funds related to raising of revenues.

The municipal authorities find it difficult to raise sufficient revenues to meet essential expenditure and generate sufficient surplus to take up works of augmentation of urban infrastructure for future needs and upgrading of services to cater to unreserved areas. The primary source of public financing of urban development is obviously plan funds and this is expected to be supplemented by institutional finance and local resource mobilisation to fund development by public agencies. Apart from housing and water supply for which institutional finance is available from HUDCO and LIC, most of the non-remunerative urban projects are required to be funded only through plan finance. At the same time, there are severe constraints on open market borrowing by municipal authorities. When the loan amount exceeds Rs. five lakh or repayment period is within 30 years, the local body's borrowing needs approval in terms of Local Authorities' Loan Act, 1914. The borrowing powers of municipal corporation are sometime defined in their respective legislation and it is expressed as a percentage of the total rateable value, but even they have to seek the approval of the state government, within the overall borrowing quota allowed to the states by the Reserve Bank of India. Below the level of municipal corporations in a state, small municipalities generally are not encouraged to float bonds or to borrow from commercial banks. Loans from LIC for water supply and sanitation are routed through functional agencies at the state level who debit the municipal body for the loan amount and execute works on their behalf. The state government charges at least one per cent for guarantee on loans raised by municipal bodies.

Major sources of institutional finance to the urban infrastructure are LIC, GIC, HUDCO and a few state level agencies like the Kerala Urban Development Finance Corporation. At present, LIC is statutorily required to reserve a certain portion of its surplus resources for socially oriented schemes including housing, water supply and sewerage. This amounted to Rs. 648 crore in 1989-90. HUDCO has not taken up financing of urban infrastructure in a major way because of its dominant concern with providing loans for various housing schemes such as financing infrastructure, land development and low cost sanitation in small and medium towns. It has recently been decided to use HUDCO as the nodal agency for complete coverage of 300 towns for the removal of the practice of scavenging and rehabilitation of scavengers.

At present, even dynamic local bodies, who have the capacity to undertake new projects with financial support, are severely constrained in their efforts to improve services, since they largely depend on plan funds and limited open market borrowing, with limited flexibility in

spending once the funds are allocated. The programme of Integrated Development of Small and Medium Towns (IDSMT) operated by the Ministry of Urban Development covers only about 15 per cent of the small and medium towns and the funds provided do not meet the entire requirement of augmentation of services. There is thus a pressing need for a flexible system of financing of capital investment in urban areas. This calls for the establishment of an institution which can be the source of long-term funds for municipal funds and which can ensure improved financial practices on the part of the elected local bodies.

The use of development banks to finance development oriented sector in the national economy has proved to be successful. They provide expertise as well as financial resources to the particular sector, and increase the depth of the capital market. Industrial sector is served by the IDBI, IFCI and ICI; housing sector by HUDCO and HDFC; and agricultural and rural development by NABARD. Similar specialised institutions for other sectors have been set up and there is a decision in principle to set up an urban transport consortium. Similarly, there is a need, as recognised in the Seventh Plan document, for a specialised facility to deal with the financial needs of the urban sector.

If we go by the international experience, every developed country in the West as well as Japan has a well established Central institution for channelling investment credit to local government, i.e., the Belgium Municipal Credit Bank, The Bank for Netherlands Municipalities, Japan Finance Corporation for Municipal Enterprise and the German Municipal Bank. The municipal development intermediary exists in as many as 20 Third World countries, most of them in Latin America, Indonesia, Thailand, Philippines and Kenya channel loans from the municipal fund directly to the local bodies without an intervening tier. The World Bank has been offering assistance in recent years for the establishment of Municipal Development Fund at the national or provincial level in order to provide loans and grants for municipal infrastructure programmes linked to improvements in the efficiency and financial performance of the borrowers. The thrust of all these programmes is both to mobilise additional resources for urban public investment and to enhance the finance and technical capacity of municipal government. A successful capital investment programme on these lines is being operated by Government of West Bengal through the revised grants structure in the Calcutta Urban Development Project III. A Municipal Development Fund has been set up as part of the Tamil Nadu Urban Development Project, and similar funds are contemplated in other proposed World Bank projects. The only institutional arrangement for financing urban development at the state level is found in the Kerala Urban Development Finance Corporation and the Gujarat Municipal Board to a lesser extent.

Apart from showing the directions for specialised financing of municipal requirements, it is seen from a review of municipal development banks in various countries that the sustained effectiveness of such an institution is guaranteed mainly by the strength of municipal government, in particular, their strong democratic basis. This is particularly relevant in the context of the emerging scenario of elected local self-government bodies in India with constitutionally assured functions and resources.

There is a need, therefore, for an apex institution entirely devoted to the financing of urban development and municipal infrastructure. Advantages of setting up such an institution, in brief, are:

- Development of expertise in the designing, monitoring and evaluation of urban infrastructure similar to the expertise that HUDCO has developed in housing and has transferred to State housing agencies.
- Increased access of urban local bodies and regional functional agencies to the financing of urban infrastructure on a flexible basis, with the scope for equitable allocation of funds between states and cities.
- Increase in the level of financial savings on account of its specialised operation, and through the more efficient channelling of available financial resources towards productive uses; it will also establish a conduit for international assistance similar to NABARD.
- Improvement in the management and financial performance of local bodies on account of the discipline imposed by specialised institutions, and this process is assisted by the technical assistance available from the new institution for project preparation, levy of user charges, improved capital budgeting, training of technical cadres, etc.
- Performance of an advocacy role by a central institution both through the creation of a channel of investment for infrastructure and through convergence of central and state efforts in the sector.

It is important to note that the National Bank for Urban Development (NABUD) will not replace the existing sources of funding to local bodies from LIC or the state budget. The requirements of augmentation of infrastructure are too large to be met by only a single institution. The NABUD would supplement the existing resources and at the same time assist the local authorities to systematise their administration and financial practices. It would strengthen their resource base so that external finances are a real alternative to the traditional resources of revenues. Its main task would be to sustain the flow of finance to local authorities by mobilising additional resources for urban infrastructure

financing as well as by improving the capability of local authorities to receive loan finance and to service the debt. It would also seek to integrate the investment programmes of Central and state agencies such as industrial growth centres, rural development especially in peripheral areas, public sector investments in or near urban areas, etc. Such an urban finance institution can be set up and sustained only by strong central support as well as the blessings of the Reserve Bank of India. Over a period of time, with the steady growth of this institution, there would be a reduction in the government at the state level towards the provision and resources to local bodies, and less reliance on the budget.

Another advantage of setting up NABUD would be the scope for involving private sector by working with the Bank, especially in joint efforts to provide infrastructure in developing new growth centres. This point has been elaborated in the report of the National Commission on Urbanisation. It would also be possible to develop the leasing of infrastructure such as equipments, vehicles and even plants for water supply and sewerage, roads and bridges with initial capital funding by specialised leasing institutions with private sector support. Some initiatives in this regard have been taken by the Infrastructure Leasing Company set up jointly by the Central Bank of India, Unit Trust of India and Housing Development Finance Corporation. At the same time, it must be cautioned that NABUD cannot be left to be established either in the private sector or in the joint sector, because of the mix of remunerative and non-remunerative activities to be financed by it, and the larger developmental role that would be assigned to it.

#### OUTLINE OF THE NABUD

The case for an apex municipal development financing agency having been established, it is necessary to suggest the structure for this institution and give some idea of its scope. The new institution will have to be a national level institution, established either by statute of Parliament or registered as a fully owned government company. A suggestion has been made that NABUD itself can be expanded to take up the functions of refinancing both urban and rural development. While this may solve the immediate problem of the organisational formalities for commencing the financing of urban development, it is submitted that this may not be considered for the following reasons:

- (i) NABARD has been established primarily for providing refinance to banks and financial agencies operating in the sector of agriculture and rural development including non-farm activities. Its ultimate client is primarily cooperatives or field agencies. It does not undertake direct financing of any investment in rural

infrastructure. On the other hand, the urban sector does not possess base level financial agencies. In the initial years, NABUD will have to undertake substantial amount of direct financing of municipal bodies and functional agencies even as it promotes state level financial institutions. In view of the fact that most of states do not have state level specialised agencies which finance municipal investment, it would be difficult for NABARD to operate simultaneously refinancing for rural sector and direct financing for the urban sector.

- (ii) In view of the predominant reorientation of the NABARD to activities in the rural areas, it may be difficult to ensure sufficient management attention for the fledgeling municipal sector which is in a moribund state at present and requires substantial initial support.
- (iii) The nature of activities financed in the rural and urban areas is substantially different. Major items of rural infrastructure are implemented by state departments and functional agencies and these are financed from the state budget. In urban areas, it is precisely the lack of funds for the lumpy investment that calls for a new institution.

It is thus proposed that, pending the establishment of NABUD by a statute, it may be registered as a government company on the lines of HUDCO under the control of the Ministry of Urban Development. The equity structure could be on the lines of the NHB, and government or the RBI could contribute Rs. 100 crore, with another Rs. 100 crore coming from other financial institutions. The equity could be increased over a period with contributions from the state governments and local bodies. The Central Government could support NABUD through fiscal incentives and other incentives for the mobilisation of resources rather than direct budgetary support.

The NABUD will have to function both as a refinancing institution in respect of state level urban development financing agencies and as a provider of direct financing for urban local authorities as well as state functional agencies. It would seek to promote actively five to six state level finance corporations on the lines of the Kerala institution, where such infrastructure already exists in states like Tamil Nadu, Gujarat, Maharashtra and Haryana. In the short-run NABUD will have to undertake direct lending to state level agencies and municipal corporations till a hierarchy of institutions can emerge as in the case of rural development. In addition to direct financing, NABUD will have to promote related financing activities such as leasing companies and municipal trading enterprises. The main objectives of the NABUD

could be as follows:

- (a) To promote in the short-run five to six state level financing institutions for urban development on the lines of Kerala and Gujarat to whom refinancing may be given by the NABUD on agreed terms.
- (b) To increase the supply of capital to elected local bodies and regional functional agencies in order to finance infrastructural projects with a special focus on municipal services.
- (c) To help in particular the small and medium towns to provide adequate services through access to long-term finance.
- (d) To help to streamline the finance and accounting systems in local bodies in order to improve their capacity to receive and service external finance.
- (e) To act as the intermediary through which funds can be channelled in a systematic manner for urban development projects.
- (f) To help in the identification of projects that have a good potential for financing and to offer necessary technical assistance to the local bodies.
- (g) To take account of the specialised needs of urban local bodies in different parts of the country including the north east, and to devise a system suitable to different regions.
- (h) To work closely with NABARD and other financing agencies involved in rural development in order to develop linkages with the coordinated development of the district and to ensure systematic extension of urban services to peripheral areas.
- (i) To help in the rationalisation of revenue structure of local authorities so that urban services are raised adequately to cover the cost of their provision.
- (j) To develop overall technical expertise in urban infrastructure investment and to offer technical help to state and city level institutions.
- (k) To support related financial activities like leasing companies and municipal enterprises.

Initially, NABUD would provide loans to urban local bodies for urban projects in the sectors of:

- Generation and distribution of water.
- Sewerage and sewage disposal including low cost sanitation.
- Solid waste management.
- Infrastructure for shelter and urban renewal.
- Drainage and sanitation.
- Roads and bridges and traffic operation.
- Infrastructure support for micro enterprise and small business.
- Upgradation of municipal services.

Where the state level institutions have been set up as in the case of Kerala, it is possible for the NABUD to refinance their operations subject to agreed terms of appraisal and programme components. It could also consider the refinancing of state level municipal development funds of the type functioning in Tamil Nadu. It can encourage the establishment of state level institutions in as many states as possible or even regional institutions for areas like the north east. Meanwhile, it may have to consider direct financing to municipal corporations and state level agencies.

As regards the pattern of lending, it will have to adopt a flexible strategy which is sensitive to the nature of infrastructure to be financed and the financial position of the local bodies. It should even be prepared to finance 100 per cent of the project cost where local bodies would find it difficult to raise the margin money. The period of repayment could also depend on the type of services to be financed and capital cost. The loans could be made available at a rate of interest ranging from 10 to 13 per cent depending upon the type, nature and duration of the financial requirement. NABUD can persuade the state governments to subsidise smaller local bodies for essential projects which could eventually become self-financing. In particular it could assist municipal bodies to develop land in order to generate sufficient resources for urban development on the lines suggested by the NCU. It will also have the effect of bringing additional land into the market for housing. It will also encourage local authorities for taking up guided land development schemes with the involvement of private sector on the lines of Tamil Nadu and Haryana. It can take up joint projects together with infrastructure leasing companies in order to help local bodies in acquiring equipments and plants for water supply and sewerage, solid waste management, etc., and also for constructing roads and bridges. Some of these projects can be made self-financing with the involvement of the private sector and the levy of tolls, and one or two such projects have already been taken up.

Since the representatives of elected bodies from different parts of the country referred to shortage of finance and limited access to capital market as an impediment to the augmentation of municipal services in the interest of efficient functioning of the city and improved delivery of services to the poor, the early establishment of the NABUD would fill a vacuum in institutional finance in the country. □

# *Improving Financial Relations of Urban Local Bodies and Indian States : An Empirical Analysis*

O.P. BOHRA\*

FOR A developing economy decentralised federal system has been conceived as an ideal (model) system of financial management in a government. As with constituent units of federal system, each one decides to some extent independently, what and how much public goods to provide and what and how much taxes to collect and their rates. In other words, the local governments can also create externalities for its non-residents. In this way the financial performance of a local body in providing a local good and its financing has been very crucial for the success of a federal system. Problem of finances faced by the local government has been discussed widely for the major federal countries like USA, Australia, Canada and West Germany with reference to a particular tax and the local tax system as well. Its relationship with the Centre/state government has also attracted lot of interest. In much of the earlier literature, the local governments have been treated acting like an individual.<sup>1</sup>

In India, taxes collected by the local governments form 3.15 per cent the total tax revenue of the central and states taken together for the year 1979-90. Similarly, the expenditure on local public goods in the total expenditure is 4.69 per cent in the year 1979-80.

The importance of role of states governments in the working of local governments is very important. At the same time the role of urban local bodies is also important for proper functioning of a federal system.

The main task of the article is to examine the relationship between the state and urban local bodies (or municipal bodies) in the context of

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<sup>1</sup>See, Willim, "The Optimal Provision of the Public Goods in a System of Local Government", *Journal of Political Economy*, Vol. 74, 1966, p. 18.

the Indian federal system.

The second objective in the present work is to study the effect of this relationship on the financial position of a local body. In addition, possible ways of improving their position would also be touched upon. Finally, the ways and means of improving financial resources of urban local bodies would be suggested.

#### *Financial Position of Urban Local Bodies*

During the last few decades many attempts were made to study the finances of urban local bodies in India. Prominent among them are the studies made by the Zakaria Committee<sup>2</sup>, the Eighth Finance Commission<sup>3</sup>, National Council of Applied Economic Research<sup>4</sup> and National Institute of Urban Affairs<sup>5</sup>.

A study of municipal finances in India is always constrained by the non-availability of data for all the states. As stated earlier only four studies have been undertaken giving some comparable information on municipal finances in major states of India.

Zakaria Committee (1963) presents data only for the year 1960-61. The Eighth Finance Commission gives similar kind of data for the year 1975-76. The data given in the study conducted by the National Institute of Urban Affairs (1983) are the most recent ones (*i.e.*, for the year 1979-80). Since, the data from these sources have been arrived at by blowing up the sample estimates so as to cover whole of India<sup>6</sup>, these may not be strictly comparable. Nevertheless, some trend may be observed indicating some important implications for policy.

The number of urban local bodies varies substantially from 20 in Assam to 228 in Karnataka (covered in the samples). The details of revenue receipts and expenditure are not available. Some of the parameters explaining the total revenue and expenditure for the 15 major states are given in Table 1. The growth rate of revenue receipts from 1974-75 to 1979-80 is the lowest in West Bengal and the highest in Assam. Likewise the growth rate of expenditure is the lowest in Bihar and the highest (170%) in Andhra Pradesh. Such a high growth rate

<sup>2</sup>*Report on the Augmentation of Financial Resources of Urban Local Bodies*, Central Council of Local Self-Government, New Delhi, Government of India, 1963, (Ch. R. Zakaria).

<sup>3</sup>*Report of the Eighth Finance Commission*, New Delhi, Government of India, 1978.

<sup>4</sup>*The Resources of Municipal Bodies*, New Delhi, National Council for Applied Economic Research, 1980.

<sup>5</sup>*A Study of the Financial Resources of Urban Local Bodies in India and the Level of Services Provided*, Parts I and II, New Delhi, National Institute of Urban Affairs, 1983.

<sup>6</sup>An estimation of the sampling errors was not provided in the report.

has been obtained for some of the states because of the lower level of revenue and expenditure in the base year.

TABLE I GROWTH OF MUNICIPAL FINANCES IN INDIA  
(1974-75—1979-80)

(per cent)

| State          | Growth Rate |             |
|----------------|-------------|-------------|
|                | Revenue     | Expenditure |
| Andhra Pradesh | 83          | 170         |
| Assam          | 199         | 139         |
| Bihar          | 37          | 16          |
| Gujarat        | 108         | 89          |
| Haryana        | 102         | 105         |
| Karnataka      | 98          | 20          |
| Kerala         | 91          | 89          |
| Madhya Pradesh | 96          | 80          |
| Maharashtra    | 101         | 69          |
| Orissa         | 50          | 85          |
| Punjab         | 141         | 86          |
| Rajasthan      | 162         | 141         |
| Tamil Nadu     | 87          | 54          |
| Uttar Pradesh  | 71          | 70          |
| West Bengal    | 46          | 66          |
| All India      | 96          | 78          |

SOURCE : National Institute of Urban Affairs (NIUA), New Delhi, 1983.

Revenue structure of the urban local bodies for the years 1960-61, 1975-76 and 1979-80 is presented in Table 2. Since the data are obtained on the basis of sampling and are compiled from different sources may not be strictly comparable. However, these data do indicate some trend. The total revenue of the urban local bodies have been classified into tax revenue, non-tax revenue and grants. Except Karnataka, Madhya Pradesh and West Bengal, in all other states the share of tax revenue has been increasing over a period of two decades ending 1979-80. This fall in share of tax revenue in the three states has been offset by a sharp increase in revenue grants from the states governments. The case of Rajasthan is typical in the sense that there is steep decline both in non-tax revenue and revenue grants. Two states, viz., Haryana and Kerala have observed marginal decline in the revenue grants. The revenue from the non-tax sources (which includes market fees, fines, sale of land, etc.), reveals a uniform downward trend in all the 15 major states under consideration.

TABLE 2 REVENUE STRUCTURE OF MUNICIPAL BODIES IN MAJOR STATES

(per cent)

| State          | Tax Revenue |         |         | Non-Tax Revenue |         |         | Revenue Grants |         |         |
|----------------|-------------|---------|---------|-----------------|---------|---------|----------------|---------|---------|
|                | 1960-61     | 1975-76 | 1979-80 | 1960-61         | 1975-76 | 1979-80 | 1960-61        | 1975-76 | 1979-80 |
| Andhra Pradesh | 62          | 63      | 50      | 19              | 18      | 9       | 19             | 19      | 41      |
| Assam          | 50          | 53      | 35      | 18              | 35      | 11      | 32             | 11      | 54      |
| Bihar          | 50          | 37      | 50      | 13              | 17      | 10      | 37             | 47      | 40      |
| Gujarat        | 70          | 69      | 75      | 20              | 24      | 7       | 10             | 7       | 18      |
| Haryana        | 0           | 64      | 79      | 0               | 28      | 15      | 0              | 8       | 6       |
| Karnataka      | 65          | 80      | 34      | 21              | 18      | 11      | 15             | 3       | 55      |
| Kerala         | 54          | 72      | 70      | 32              | 18      | 17      | 14             | 9       | 13      |
| Madhya Pradesh | 71          | 78      | 26      | 15              | 17      | 10      | 14             | 5       | 64      |
| Maharashtra    | 76          | 69      | 84      | 17              | 16      | 6       | 7              | 15      | 10      |
| Orissa         | 43          | 51      | 47      | 15              | 23      | 12      | 42             | 26      | 41      |
| Punjab         | 69          | 79      | 89      | 30              | 19      | 8       | 1              | 2       | 3       |
| Rajasthan      | 61          | 78      | 82      | 26              | 22      | 8       | 13             | 0       | 10      |
| Tamil Nadu     | 63          | 65      | 59      | 26              | 32      | 13      | 11             | 3       | 28      |
| Uttar Pradesh  | 53          | 60      | 65      | 28              | 21      | 12      | 19             | 19      | 23      |
| West Bengal    | 65          | 60      | 40      | 20              | 11      | 10      | 25             | 29      | 50      |
| All India      | 66          | 63      | 65      | 20              | 24      | 10      | 13             | 13      | 25      |

SOURCES : For "1960-61 Zakaria Committee"

For "1975-76 Eighth Finance Commission"

For "1979-80 NIUA"

It should be pointed out that higher tax yields in urban local bodies indicate self sufficiency whereas a higher grant results in its dependency on the state. But the trends in these two sources of revenue should be examined simultaneously. The quality of local goods provided by an urban local body would be determined by the trend in these two series. The composition of major municipal taxes is given in Table 3. It is observed that in octroi levying states, octroi contributed more than 50 per cent in the tax yield in 1979-80. In Rajasthan its share is the highest (9%), whereas its contribution is just 48 per cent in Maharashtra, i.e., the lowest one. The second important tax is property tax. Among the major states, its proportion is the highest in West Bengal—about 70 per cent. In Rajasthan, it contributes only four per cent, which is indicative of a poorly administered tax. In non-octroi states the other taxes play an important role. In these states its contribution is more than 50 per cent of the tax yield. Particularly, in Andhra Pradesh and Madhya Pradesh (both non-octroi states) its share is more than 70 per cent, whereas in Rajasthan and Gujarat (both octroi levying states) other taxes contribute less than 10 per cent of the tax receipts.

TABLE 3 COMPOSITION OF MAJOR MUNICIPAL TAXES IN MAJOR STATES (1979-80)

(per cent)

| State          | Share in Taxes |        |             |
|----------------|----------------|--------|-------------|
|                | Property Tax   | Octroi | Other Taxes |
| Andhra Pradesh | 28             | 0      | 72          |
| Assam          | 48             | 0      | 52          |
| Bihar          | 35             | 0      | 65          |
| Gujarat        | 25             | 67     | 8           |
| Haryana        | 15             | 69     | 16          |
| Karnataka      | 49             | 0      | 51          |
| Kerala         | 40             | 0      | 60          |
| Madhya Pradesh | 23             | 0      | 77          |
| Maharashtra    | 19             | 48     | 33          |
| Orissa         | 11             | 51     | 38          |
| Punjab         | 13             | 71     | 16          |
| Rajasthan      | 4              | 90     | 6           |
| Tamil Nadu     | 29             | 0      | 71          |
| Uttar Pradesh  | 16             | 58     | 26          |
| West Bengal    | 70             | 0      | 30          |
| All India      | 25             | 40     | 35          |

SOURCE : NIUA, 1983

#### *Expenditure Composition and its Pattern*

The data on expenditure and its various components have been provided by the Zakaria Committee and The Eighth Finance Commission for the years 1960-61 and 1975-76 respectively. The pattern of expenditure for the year 1970-61 is presented in Table 4. It is observed that except Gujarat and Uttar Pradesh, the urban local bodies in all other major states provide better services for public health which is indicated by the higher proportion of expenditure on public health (it is more than 30 per cent of the total expenditure in these states). Assam and Karnataka are the states which spent more than 50 per cent of the total expenditure on public health whereas about 19 per cent of the total expenditure is spent in Uttar Pradesh.

The other major components of the expenditure are education and roads. The proportion of expenditure on education varies from 0.6 per cent in Kerala to about 24 per cent in Bihar.<sup>7</sup> In Punjab, Rajasthan and West Bengal the proportion of total expenditure on establishment is more than 23 per cent. Over the years the pattern of expenditure has remained almost the same (Table 5). Again, it is the public health component on which more than 20 per cent of the total expenditure is

<sup>7</sup>These proportions are not comparable as the head of education and other functions are mixed one. The allocation of the responsibilities of these functions to the states and the urban-local bodies varies from state to state.

TABLE 4 PATTERN OF EXPENDITURE OF URBAN LOCAL BODIES IN MAJOR STATES (1960-61)

(per cent)

| State          | GA & RV | PBHLTH | PBSAF | EDCN | Roads | Others |
|----------------|---------|--------|-------|------|-------|--------|
| Andhra Pradesh | 15      | 41     | 7     | 22   | 11    | 1      |
| Assam          | 13      | 56     | 7     | 3    | 6     | 9      |
| Bihar          | 7       | 39     | 4     | 24   | 9     | 16     |
| Gujarat        | 9       | 24     | 7     | 7    | 33    | 8      |
| Haryana        | 0       | 0      | 0     | 0    | 0     | 0      |
| Karnataka      | 2       | 51     | 6     | 12   | 6     | 16     |
| Kerala         | 12      | 34     | 24    | 1    | 14    | 11     |
| Madhya Pradesh | 10      | 30     | 10    | 18   | 11    | 20     |
| Maharashtra    | 4       | 41     | 7     | 11   | 5     | 16     |
| Orissa         | 9       | 36     | 10    | 12   | 24    | 8      |
| Punjab         | 24      | 39     | 18    | 8    | 9     | 0      |
| Rajasthan      | 24      | 6      | 11    | 3    | 5     | 8      |
| Tamil Nadu     | 10      | 38     | 11    | 19   | 10    | 5      |
| Uttar Pradesh  | 13      | 19     | 20    | 17   | 9     | 16     |
| West Bengal    | 24      | 34     | 11    | 6    | 6     | 15     |
| All India      | 13      | 32     | 13    | 14   | 13    | 13     |

SOURCE : Zakaria Committee, 1936.

NOTE : GA &amp; RV=General Administration and Revenue Collection.

PBHLTH=Public Health. BSAF=Public Safety. EDCN=Education

spent with exception of Gujarat, Karnataka, Kerala and Maharashtra. In terms of expenditure on education, Andhra Pradesh, Gujarat, Orissa and Tamil Nadu have higher proportions than All India average of 10 per cent. The proportion of the total expenditure spent on roads is the highest in Andhra Pradesh (21%).

#### Rank Analysis

As stated earlier the comparable data on the finances of the urban local bodies are scarce. For the purpose of present study the available data have been converted into the percentage share. Under the present circumstances a Probit<sup>8</sup> model—is generally recommended. Because of non-availability of suitable computer package to deal with such model, rank correlation analysis has been employed. For this purpose the shares of revenue components, expenditure components, and per capita state domestic product have been ranked and the rank correlation coefficients are computed. The formula for Rank Correlation coefficient used is as follows:

$$\rho = 1 - \frac{6 \sum d^2}{n(n^2-1)}$$

<sup>8</sup>See; Gregory C. Chow, *Econometrics*, London, McGraw Hill 1985 pp. 254-55.

TABLE 5 PATTERN OF EXPENDITURE OF URBAN LOCAL BODIES  
IN MAJOR STATES (1975-76)

(per cent)

| State          | GA | RV | PBHLT | PBSAF | MEDCL | WATER | EDCN | Roads | Others |
|----------------|----|----|-------|-------|-------|-------|------|-------|--------|
| Andhra Pradesh | 8  | 2  | 23    | 4     | 0     | 17    | 1    | 21    | 7      |
| Assam          | 16 | 8  | 21    | 9     | 2     | 7     | 0    | 10    | 23     |
| Bihar          | 14 | 1  | 30    | 7     | 1     | 4     | 7    | 12    | 11     |
| Gujarat        | 5  | 4  | 9     | 2     | 7     | 3     | 10   | 0     | 50     |
| Haryana        | 14 | 0  | 27    | 8     | 6     | 16    | 1    | 3     | 20     |
| Karnataka      | 17 | 0  | 17    | 8     | 2     | 8     | 1    | 0     | 40     |
| Kerala         | 33 | 2  | 12    | 8     | 11    | 6     | 1    | 8     | 12     |
| Madhya Pradesh | 18 | 11 | 21    | 7     | 2     | 9     | 4    | 5     | 16     |
| Maharashtra    | 7  | 6  | 16    | 4     | 14    | 5     | 9    | 12    | 23     |
| Orissa         | 13 | 11 | 24    | 8     | 1     | 3     | 13   | 0     | 25     |
| Punjab         | 13 | 17 | 28    | 9     | 2     | 9     | 1    | 4     | 9      |
| Rajasthan      | 15 | 15 | 49    | 8     | 1     | 2     | 1    | 0     | 8      |
| Tamil Nadu     | 16 | 0  | 25    | 5     | 6     | 11    | 15   | 5     | 11     |
| Uttar Pradesh  | 8  | 11 | 41    | 5     | 3     | 7     | 2    | 0     | 16     |
| West Bengal    | 28 | 3  | 22    | 3     | 2     | 7     | 7    | 2     | 22     |
| All India      | 11 | 5  | 21    | 5     | 7     | 6     | 10   | 7     | 22     |

SOURCE: Report of the Eighth Finance Commission, 1978.

NOTE : GA &amp; RV=General Administration and Revenue Collection

PBHLT =Public Health

PBSAF =Public Safety

MEDCL =Medical

EDCN =Education

where 'd' is the difference in the ranks and 'n' is the number of observations.

These rank coefficients have been obtained between the ranks of State Domestic Product (SDP) and various components of revenue receipts of the urban local bodies for the years 1960-61, 1975-76 and 1979-80. The rank correlation coefficients between tax receipts and state domestic product were highest which shows that tax receipts of urban local bodies and the level of economic development influence each other. The direction of the causality can be worked out if comparable data were available. The rank correlations between the level of economic development and the share of grants is also reasonably high. The trends in the state grants to urban local bodies have been very fluctuating. This may affect the quality of services provided by the urban local bodies through the expenditure.

The rank correlation between the expenditure and the level of development is tolerable. Although the rank correlation between grants and expenditure is not very high, it may be possible that some of the component of expenditure may be affected by grants. To examine which components of the expenditure influence or are influenced by the grants from the states, the rank correlation between grants and various com-

TABLE 6 RANKING OF MAJOR STATE ACCORDING TO REVENUE AND EXPENDITURE OF URBAN LOCAL BODIES  
AND THEIR RANK CORRELATION WITH PER CAPITA SDP RANK

| State            | Tax Revenue |       |       | Non-Tax Revenue |       |       | Grants |       |       | Expenditure |       |       | State domestic product |       |       |
|------------------|-------------|-------|-------|-----------------|-------|-------|--------|-------|-------|-------------|-------|-------|------------------------|-------|-------|
|                  | 60-61       | 75-76 | 79-80 | 60-61           | 75-76 | 79-80 | 60-61  | 75-76 | 79-80 | 60-61       | 75-76 | 79-80 | 60-61                  | 75-76 | 79-80 |
| Andhra Pradesh   | 8           | 10    | 9     | 9               | 11    | 7     | 5      | 4     | 5     | 10          | 7     | 5     | 10                     | 9     | 9     |
| Assam            | 12          | 13    | 12    | 10              | 1     | 5     | 3      | 7     | 3     | 15          | 16    | 15    | 7                      | 12    | 11    |
| Bihar            | 13          | 15    | 9     | 14              | 13    | 6     | 2      | 1     | 6     | 11          | 14    | 13    | 14                     | 15    | 15    |
| Gujarat          | 3           | 6     | 5     | 8               | 4     | 9     | 12     | 10    | 9     | 3           | 2     | 2     | 4                      | 4     | 5     |
| Haryana          | 0           | 9     | 4     | 0               | 3     | 2     | 0      | 9     | 12    | 0           | 12    | 11    | 6                      | 2     | 3     |
| Karnataka        | 2           | 1     | 13    | 6               | 10    | 5     | 7      | 13    | 2     | 8           | 8     | 8     | 8                      | 7     | 6     |
| Kerala           | 10          | 5     | 6     | 1               | 9     | 1     | 9      | 8     | 10    | 13          | 13    | 10    | 11                     | 6     | 8     |
| Madhya Pradesh   | 2           | 4     | 14    | 12              | 12    | 6     | 8      | 11    | 1     | 9           | 9     | 7     | 12                     | 11    | 13    |
| Maharashtra      | 1           | 7     | 2     | 11              | 14    | 10    | 13     | 6     | 11    | 1           | 1     | 1     | 1                      | 3     | 2     |
| Orissa           | 14          | 14    | 10    | 13              | 5     | 4     | 1      | 3     | 5     | 14          | 15    | 14    | 13                     | 13    | 14    |
| Punjab           | 4           | 2     | 1     | 2               | 8     | 8     | 14     | 14    | 13    | 7           | 10    | 12    | 3                      | 1     | 1     |
| Rajasthan        | 9           | 3     | 3     | 5               | 6     | 8     | 10     | 15    | 11    | 12          | 11    | 9     | 9                      | 8     | 10    |
| Tamil Nadu       | 7           | 8     | 8     | 4               | 2     | 3     | 11     | 12    | 7     | 6           | 4     | 3     | 5                      | 10    | 7     |
| Uttar Pradesh    | 11          | 12    | 7     | 3               | 7     | 4     | 6      | 5     | 8     | 2           | 5     | 6     | 12                     | 14    | 12    |
| West Bengal      | 5           | 11    | 11    | 7               | 15    | 6     | 4      | 2     | 4     | 4           | 6     | 4     | 2                      | 5     | 4     |
| Rank correl. coe | 0.67        | 0.59  | 0.58  | 0.39            | 0.07  | 0.04  | 0.39   | 0.41  | 0.33  | 0.51        | 0.29  | 0.41  |                        |       |       |

SOURCE: Computed.

ponents of local government expenditures have been computed.

For this purpose ranks of various components of expenditure among the states are correlated with the ranks of the corresponding per capita grants. Interestingly, the expenditure on education is found to be influenced most by the grants. Its rank correlation coefficient is 0.44.

The results reveal that a cut in the grant will influence the literacy drive in the states like Rajasthan, Bihar, Uttar Pradesh, Madhya Pradesh, and Andhra Pradesh which already have low literacy rates (less than 30%). For the states where the literacy rates are very low any cut in the grants will be suicidal.

The next item of expenditure of urban local bodies which is affected by the grants is water supply.

#### CONCLUSIONS

On the basis of the above analysis with limited data it is not possible to draw any positive conclusions. However, the analysis of the revenue and expenditure based on whatever scanty information is available reveals that the growth of revenue yield of urban local bodies in West Bengal is the lowest whereas in Assam it is the highest. Similarly, on the expenditure side, Bihar occupies the lowest place (16%) and Andhra Pradesh the highest (170%).

The rank correlation coefficients indicate that the tax receipts of urban local bodies are influenced by economic development and also the grants up to some extent, whereas it is just satisfactory in the case of expenditure. The direction of causality needs to be studied. Interestingly, it is found that expenditure on education is affected most by the grants. It may be inferred that a better financial relationship between the states and urban local bodies in a developing country like India will augur into better economic performance in terms of provision for better local goods at least in some sensitive functions such as education, water supply and public health. □

## *Rural-Urban Relationships and Local Government Structures*

S.C. JAIN

THE RURAL and urban organs of local self-government are being ensconced in the constitutional set-up of the country which will guarantee the right of their survival and share of national resources. At present they are being proposed as two parallel systems of self-government with a tenuous bridge of District Planning Committee to act as a forum of discussion, fund allocation, and coordination on matters of common concern. This is in continuation with the traditional thinking about local self-government structurisation—the innovative element being addition of one more tier to decentralise the functioning of large-city governments.

While the innovative participatory element as also a constitutional guarantee to the local self-government organs is welcome, a constitutional enshrinement is not without its implications for the future growth of the economy and integration of national society. The economy and social formations are likely to undergo far-reaching transformations under pressures of aroused expectations and aspirations. Constitutional structures ill-suited to these tasks of fundamental social, economic and ecological transformation might block the process and cause severe frustrations. It is, therefore, necessary to examine the issues of design of local government organs in the perspective of basic changes in rural-urban relationship patterns so that the structures promote and channelise forces of desirable growth rather than frustrate the basic goals of policy.

### RURAL-URBAN DIVIDE

A feature of rural-urban relationship which has considerable implications for the goals of social justice is the growing income inequality between rural and urban areas. A good indicator of rural-urban income inequality is the ratio of per capita urban income to per capita rural income. According to CSO estimates the urban-rural ratio of per capita NDP which was 1.83 rose to 2.6 in 1981 and is expected to be around 2.98 by the end of the year 1990 (Table 1). This

TABLE I URBAN-RURAL RATIO OF PER CAPTA NDP

| Year    | <i>Per Capita NDP Urban/rural differential ratio</i> | <i>Share of agriculture in NDP</i> |
|---------|--|------------------------------------|
| 1950-51 | 1.83   | 60.5                               |
| 1960-61 | 2.33   | 55.7                               |
| 1970-71 | 2.40   | 49.0                               |
| 1980-81 | 2.61   | 41.5                               |
| 1990-91 | 2.98 (E)   | 32.6 (E)                           |

(E) = Estimated.

upward trend is partly responsible for urban-ward migration of working population from rural areas. The migration accounts for about 41 per cent of the growth rate of urban population. The migration siphons the rural areas of youthful, and literate manpower as well as investment surpluses. Of course, inhabitants of urban areas have to pay higher taxation rates, higher prices for buying necessities. There is invisible transfer of income also which might alleviate the sting of disparity but the consistent direction is a matter of concern from the standpoint of social justice.

The labour force employed in agriculture has remained almost constant between 67-70 per cent while the share of NDP declined from about 60.5 per cent in 1950-51 to 41.5 in 1980-81 and is expected to go down further to 32.6 per cent by 1990-91 without prospects of a sharp drop in labour force. This means that households depending on agricultural income have experienced erosion of real income during the period of planned economic development. Since about 96 per cent of the agricultural income is generated from rural areas, the fall in real agricultural incomes, has very wide-spread repercussions on the conditions of well-being of people in the rural areas. Social justice requires that rise in physical productivity should be rewarded. Taking per male worker production of cereals as productivity indicator, the index moved from 0.94 tons to 1.35 tons in 1987 and is expected to reach 1.66 by 1990-91. However, the rural incomes grew only by 11 per cent during the period 1951-65 while urban incomes grew by 60 per cent. During 1965-75 the real incomes fell by 13 per cent while urban incomes went up by 15 per cent. The failure of real rural incomes to rise in proportion to their contribution to production gains is an act of socio-economic injustice.

On the other hand, there has been levelling up effects in the sphere of social services, even though the gaps still continue to be widen. Based on SRS data of 12 major Indian States in 1981, the major differences were reported as under:

| <i>Indicator</i>                      | <i>Rural Rate</i> | <i>Urban Rate</i> |
|---------------------------------------|-------------------|-------------------|
| Infant mortality                      | 130               | 82                |
| Life Expectancy at birth (years)      | 54.1              | 60.5              |
| Literacy (% population 15 +)          | 30.3              | 60.4              |
| Physical Quality of Life Today (PQLT) | 20.0              | 22.0              |

Although, the PQLI for rural areas stood at 30 as compared to the urban figure of 61.5 there had been a levelling up effect at an annual rate of 1.2 points during the period of 1971-81.

#### *Changing Character of State-Society Relationship*

While mislaying of investment priorities and unfavourable terms of trade between agriculture and other sectors have their part in accounting for the growing rural-urban income disparities and urbanward migration which causes problems of congestion, severe pressure on civic amenities and extremely depressed environment in which large masses of people are forced to live and reproduce themselves, the dynamics of development must be truly sought in the changing character of state-society relationships. It is undoubtedly true that rural areas have majority of voters residing in their jurisdictions and thus have potential of controlling the state power. However, the historical inequalities of power relations in which vast masses of landless workers and marginal and small farmers have to function have their mark on political choice-making. With their advantages in money power, control over media, access to education, and political high commands the urban areas are able to have their interest well articulated and have their representatives elected disproportionate to their numerical strength. The control over levers of political power gives them also control over public investment choices. Without decentralisation of state power, information media, dispersal of non-farm roles and democratisation of the working of political parties, it would be difficult to arrest the trends towards greater assertion of urban power at the cost of rural areas.

The act of decentralisation must be viewed not only as a measure of economy and efficiency in local administration but as a means for wider diffusion of state power so that rural masses could participate in the exercise of this power and ensure that investment decisions are responsive to the needs of a vast majority of citizens who live in rural areas or suffer from severe disadvantages in urban areas.

#### *Dualism in Local Self-Government*

In this context, the question arises whether the dualism in rural and urban local self-government which was the product of peculiar historical circumstances should be continued, especially when the goals of social justice and national integration are at stake. The rationale for parallel systems of urban and rural local self-government could be that the character of the two communities being different, the problems to be managed by local bodies are altogether of different character. The rural areas depend on primary production activities while the urban areas thrive on secondary and tertiary activities. The land and resource use issues are entirely different. It is, therefore, much better if the two

types of local governments are allowed to concentrate on issues specific to the character of communities served by each system.

The other argument is of a political character. The fusion of two types of government might put rural areas to the disadvantages. The urban representatives might channelise the resources predominantly towards the improvement of urban amenities; or projects of development have an urban bias. The low level of education, lack of experience in public affairs, inability to control mass media, the bureaucratic biases, and difficulties in the way of organisation and mobilisation of public support scattered in thousands of small village communities handicap rural representatives. The parallel systems would insulate and protect rural interests against the subversive urban influences. The urban areas being the main contributors of resources for public investment might feel a similar threat of being overwhelmed by resource-hungry poor majorities from rural areas.

The costs of parallel forms of local government are, however, equally heavy. They have produced artificial resource constraints, impoverishing lives of millions and perpetuating avoidable hardships. The alienation of rural and urban systems of local government from each other has reinforced processes of parasitic relationships. Even though urban population's need for water, land, energy, and nutrients is increasing, it has not been able to translate its concern into its contribution to develop these resources for more equitable sharing simply because these resources are located in non-urban jurisdictions. Nor have the rural areas been able to do much to resuscitate and develop these life supports because of severe financial constraints with the result that both have been thrown into crisis situations with dwindling yield from the life-supporting resources. Because of their control on state power and money powers, the urban areas could offer attractive prices and facilities for increasing the rate of resource exploitation without incurring the costs of resource replenishment. Over a period of time, the cumulative result of the process of over-exploitation has led to the impoverishment of environment from where rural areas could get life supports—free fuel, fodder, fruits, timber, renewal of soil nutrients, unpolluted water supplies and so on. As real monetised income failed to rise at a higher rate than loss of non-monetised incomes through resource depletion, the rural masses have been progressively getting impoverished.

The urban local governments have been reluctant to expand services like water supply, electricity, roads and transport, sewerage, etc., to neighbouring villages because the revenue incomes from village property are too small to pay even for a fraction of services. On the other hand, the land scarcity caused by restricted jurisdiction of urban local bodies relatively to a fast rate of population rise in them has given rise to the problems of proliferation of slum population in unplanned settlements.

with severe deficiencies of basic civic amenities like drinking water supply, drainage, sewerage, refuse disposal, etc., forcing the inhabitants to live in dangerously polluted environments and dilapidated structures. It is projected that a majority of population in several metropolitan cities in India might be living under these hazardous conditions by the turn of the century, if effective steps are not taken to deal with the problem. The land acquisition measures have operated to the disadvantage of rural peasantry which is now resisting further moves in these directions. If market prices are to be paid, the resulting cost rise would throw out the access prospects of a vast majority of urban poor who are proposed to be accommodated. Within the present parameters of organisation of local government, a satisfactory solution of these problems is becoming nearly impossible. The patchwork solutions cannot hold the deepening crisis for a long time.

The administrative costs of a dual form of local government are not negligible. The state of municipal revenues of small and medium towns is so pitiable that according to criteria set by the rural-urban relations committee to meet the basic civic needs of the citizens, a large majority of them would be disenfranchised. On the other hand, the Panchayat Samiti administration has staff resources which, with marginal adjustment, could be used to look after the municipal needs of their head-quarter towns in which they are located. The planning of these towns as growth centres which would synergise the neighbouring village communities requires a common frame of local government.

#### *Transitional Stage*

The case for ending the dualism in local government is strong. As the country approaches the tasks of 21st century, the relevance of the basic reforms would become more and more clear. However, transitional arrangements would be needed to allow the dichotomous forms of government to interact with each other under a common frame of area planning and maintain distinct forms of implementing structures to answer the historically acquired differences in need patterns of rural and urban communities. The realisation of need for administrative integration might be facilitated by these interactions and political integration of rural-urban units within party structures. It is necessary to evolve institutional structures for starting constructive dialogue between rural and urban community representatives to rectify the directions of development before the 'great divide' is converted into a politics of confrontation backed by a strong demand for counter-discriminatory measures to compensate for historical injustices. It is from this point of view that the proposed measures for a constitutional amendment to which all major political parties are committed barring differences on implementation of modalities deserve an examination.

It is clear that the urban communities are not homogeneous. We have on the one hand, large mega-cities with millions of inhabitants and on the other hand, small townships which almost fuse into villages. The rural-urban relationships assume different character with varying size and type of urban communities and the character of their hinterland. It is, therefore, desirable to discuss the issue of rural-urban relationships as it affects local government structures with reference to the major types of urban communities. We may first take up the metropolitan areas having more than two million population with a large city of say half a million or more with municipal corporation at its core. Next, we may take up medium urban communities with a size varying between 20,000 to about three lakh which have municipal councils. Finally, we might take up transitional communities which are small but satisfy the census criteria of being classified as urban.

#### *Metropolitan Area Planning Committees*

An important situation in which urban and rural development planning is fused in one common jurisdiction is provided by Metropolitan Area Development Authorities which have been made responsible for planning the whole metropolitan area having a population in excess of two millions souls. The hinterland of metropolitan planning authority usually consists of a number of townships and villages. The proportion of hinterland population to total population of urban agglomeration varies from 15 per cent (Calcutta 1971-81) to 40 per cent (Bangalore), a major part of which consists of townships growing quickly in the vicinity of large cities with the transformation of villages.

It is proposed that urban communities having a population of more than three lakh should be given "Corporation Status" and should be provided with an Urban Area Development Authority (UADA) to control the peripheral growth. As a result, it is estimated that UADA might be established in about 52 big cities in India by the end of the century taking within their fold about half of the total urban population.

The metropolitan communities' relationships with the rural areas in the hinterland are rather complex. The metropolitan expansion is often accompanied by fast population growth in peripheral rural areas which provide easy access to growing industrial estates and transport nodes near the boundaries of the main city. Since the development of infrastructure facilities for residential purpose lags behind the explosive growth in population numbers, the insanitary and slum like conditions of living develop. Owing to the constraints of financial resources, lack of vision and technically trained manpower, the Panchayats are unable to cope with the challenges and bring some order in the chaotic conditions which develop as a result of population explosion in the metro-

politan peripheries.

Profiting by low costs of land, relatively low rentals and also low taxation rates as compared to the core parts of the city, the ware-houses and industrial estates spring up and the salariate and well-to-do classes move in the non-polluted peripheral areas linked to central city economic activity centres through quick means of transport. The returns from residential, commercial, industrial and service uses of land exceed significantly from those obtainable through agricultural uses with the result land tends to pass away from agricultural uses to non-agricultural uses. Even the land in distant peripheries which is used for agricultural purposes gets converted from subsistence crops to cash crops—vegetables, fruit plantation, etc., to avail of price advantages caused by existence of large market and purchasing power of the core city. The protein and mineral and vitamin requirements of the city population is largely met by the outlying rural population through dairy or horticultural pursuits. Besides the city depends on the hinterland for its water supplies, traditional fuel, construction material, and renewable energy sources.

The city provides, of course, job opportunities for lucrative jobs, improvement of accessibility of this job market thus improves the participation of these villages in the urban economic activities. On the negative side, the city effluents are discharged into the rural boundaries creating problems of water pollution and land degradation. Taking advantages of low rates of vehicle tax, octroi, etc., in the outlaying panchayats, a mechanism of dexterous evasion of octroi, vehicle tax and house tax emerges by which its operators try to pocket personal profits.

In view of these developments, the villages in the neighbourhood of the metropolitan area get transformed in their occupational and land use characteristics and acquire an outlook which has closer affinity with metropolitan future plan rather than with the plans of the neighbouring country side. The metropolitan city attracts population not only from the villages in its immediate neighbourhood but from those of distant states and even from outside the country. The investment resources as well as invisible payments thus affect the prosperity of not only the villages in the immediate vicinity of these towns but in very distant villages in other states.

Some of the characteristics of metropolitan hinterland relationships are resultant of the system of property relations rather than of some kind of absolute law of regional development. Land scarcity and productivity differences in competitive uses are relative to the valuational schemes, jurisdictional concepts and technical means of access. If natural resources are managed as having vital bearings on common weal rather than as unfettered matters of individual properties, the emerging forms of settlement and work-place patterns might be considerably different from the shape they have taken at present.

There is, therefore, an acute need for institutional development which would harness the forces of centre-periphery interaction into sounder forms of development consistent with the aims of national endeavours.

The proposed district planning committee which is to be entrusted with the responsibility of consolidating the plans of economic development and social justice of the constituent local bodies into a district plan is thus a right step. The question is where do the metropolitan area development authorities (MADA) which have a similar planning responsibility stand. If the metropolitan area development authorities are given the status of district, this function would fall together in its proper place. However, if the district planning bodies continue to have metropolitan governments as well as Panchayat Samities within their jurisdiction, the question of coordination between them would become difficult.

#### *Medium Townships*

The medium townships also exert influence similar to one exerted by the metropolitan communities in the immediate neighbouring areas but their hinterland is small. The occupational pattern of the neighbouring villages and land use priorities undergo quick changes as the villages participate in urban economic activities. Residential, commercial and industrial land uses start getting upper hand as compared to agricultural land uses. Consequently, the proportion of population engaged in non-farm sector goes up. Milk, vegetable, fish and other perishable products become high price products because of their demand by town population. Drinking water supply and bio-mass for generating energy get increasingly demanded from rural hinterland to meet the growing population needs of the core city and its growing periphery.

Bringing these medium townships within the jurisdiction of District Planning Committee is a sensible step to strengthen rural-urban inter-relations. The Zila Panchayats (or District Planning Committee/Board in Gujarat and Maharashtra), however, have so far functioned mainly as rural development organs. Except for minimum needs programme, under which some provision for environmental improvement projects existed, there was hardly any district planning scheme which could respond to the needs of these burgeoning townships.

Formulating plans for economic development of urban areas and ensuring higher degree of social justice with reference to the various disadvantaged social groups is asking for a total innovation of present planning style at the level of municipal bodies, Zila Panchayats and district planning committees. The local urban bodies, excepting the very large ones, might be found seriously deficient in terms of technical personnel to take up these responsibilities. The Zila Panchayat or

District Planning Body will have to worry a lot to strengthen the planning and development competence of the local bodies in small towns, just as it will have to do for Mandal Panchayats and Panchayat Samities. Unless the district planning bodies are entrusted with urban development responsibilities and resources which could also be allocated to the urban local bodies, their present character as primary rural area planning agencies is hardly likely to undergo any change. This would require legislative action.

The joint resource planning is not likely to be without its conflicting claims. The urban needs of water for drinking and industrial uses will have to be taken into account along with that of irrigation in planning water development projects. This would mean apportioning water amongst various uses. Costs may have to be borne jointly just as water rates for different uses. The allocation of quantities and fixation of rates are bound to become conflict-laden issues, with each interest group keen to appropriate as much subsidised supply as it possibly can. Land use would raise similar competitive claims. Agricultural land acquisition at rates fixed under ULCA is bound to be resented. The discharge of effluents causing injury to cultivable land and water sources in peripheral villages is equally likely to raise protests. The cost of compensation and installation of pollution control machinery will have to be borne by industry which may like to keep it to as low as possible. Both parties may discover in the long run that the cost incurred with a view to install material and energy efficient machinery was worth while in its terms of overall savings. However, the realisation and evolution of commonly accepted norms of industrial design for pollution control will take time. Over a period of time, integrated form of agro-industrial-spatial planning with due regards to sustainability and aspirations of national society would be needed for the whole area. However, district bodies must acquire sufficient experience and structural capabilities before this can be accomplished.

#### *Small Urban Communities and their Interactions with Surrounding Villages*

It is at the level of small urban communities that the interactions between urban and rural communities cover a wide range and are most frequent and intense. These small urban communities are both growing in number and population as villages gain in size, and non-farm occupational roles and new townships arise as a result of dispersal of industrial, mining and service activities.

According to 1981 Census, out of 3,245 urban communities, 2,020

urban communities had a population of less than 20000. The distribution was as under:

TABLE 2 SIZE DISTRIBUTION OF URBAN COMMUNITIES

| Class and Size          | No. of Urban Communities |      | Population (in million) |      | Per cent of Urban population |      | Rate of Growth |         |
|-------------------------|--------------------------|------|-------------------------|------|------------------------------|------|----------------|---------|
|                         | 1971                     | 1981 | 1971                    | 1981 | 1971                         | 1981 | 1971           | 1981    |
| Class IV 10000-20000    | 847                      | 1048 | 12.0                    | 14.9 | 11.2                         | 9.5  | 2.10           | (3.29)* |
| Class V 5000-1000       | 641                      | 742  | 4.5                     | 5.6  | 4.6                          | 3.6  | 1.45           | (3.83)* |
| Class VI Less than 5000 | 150                      | 230  | 0.5                     | 0.8  | 0.5                          | 0.5  | 4.86           |         |
|                         | 1638                     | 2020 | 17.0                    | 21.3 | 16.3                         | 13.6 |                |         |

\*Adjusted to 1971 class status of towns.

The number of small urban communities and population have both shown a tendency to grow, although their proportion to the total urban population has shown decline. It is largely because of reclassification of marginal townships into higher categories. If this is readjusted their growth has been slightly above the overall annual urban growth rate (3.52).

The distinction between rural and urban communities almost blurs at a cutting-off-point of 5,000. In fact, 55 million persons living in 6358 communities with a size of more than 5,000 were classified as rural in 1971 Census (in Kerala a majority of villages have population exceeding 5,000). Even where non-farm households exceed the farm households, the close connections between rural and urban communities at this level are evident. The villagers visit the towns for weekly market or hats, religious events, cattle fairs, selling milk and milk products, bringing forest and agricultural products and buying industrial products, toilet goods, etc. These villages might also be centres of a lower secondary school, primary health centres, a telegraph office and so on. As agricultural productivity improves and demand for industrial products goes up, more trading and service roles might be opened up. Small industrial activities can be organised, while transitional areas can provide opportunities of income supplementation to the villagers. However, a number of households in these communities will still be practising primary occupations like animal husbandry.

These communities, therefore, are frontline institutions for changing predominantly land-based rural communities into mixed agro-industrial communities. If the future process of urbanisation is to take a more balanced form, it is at this level that much of the transformation should occur.

If a proper slant can be given to urbanisation policy, it is within the realm of feasibility that about 6,000 of these transitional rural commu-

nities with a population of 5,000 and above can acquire urban characteristics within a couple of decades providing more opportunities for non-farm roles. The number of urban communities with a size of 5,000-20,000 could thus stand at a level of about 8,000 with a population of about 75 million. This would certainly mean far-reaching change in the urban patterns.

#### *Need for Area Government*

The proposal to constitute Nagar Panchayats and demarcate them jurisdictionally off from the neighbouring village ignores the basic nature of the relationship between these communities with the surrounding villages.

More than 30 per cent of the households in these communities are likely to be practising agriculture, animal husbandry and related occupations. Once they are classified as municipal areas, they would be deprived of the benefits of various rural development programmes. Whatever the illusory advantages the formal change of status might confer, this is bound to retard the productive forces for agricultural and ancillary development. It will be difficult for Nagar Panchayats to formulate plans for the development of these activities because they do not find a place in the proposed schedule of functions for municipal areas.

Most of the functions in the municipal and Panchayat lists are common except town planning, urban electrification, urban forestry, urban poverty alleviation. It may simple mean passing on a centrally formulated body of regulations and prescription to these townships with a view to govern land use and disposal, and matters relating to health and sanitation. It is unlikely that these communities can afford to have town planning staff and do more than what is possible under various rural electrification, social forestry and common poverty alleviation programmes. The ways-and-means condition of these small municipal bodies would make them unviable to hire services of a chief executive, secretarial, sanitary, educational and octroi staff unless these are subsidised by the state. Even then, it will leave them very little money for development of infrastructure for stimulating production process and conservation of human resources. Unless the resource position of these small municipal bodies improves and competent personnel are put at their command it is unlikely that simple change of legal status would produce any miracle.

On the other hand, if they are visualised as integral of area-government they will have not only access to more funds for development but can have integration of extension and general management functions serving the urban community (which might be a headquarter of a Mandal or Block Panchayat) as well as the villages around. The staff appointed

for agricultural extension, health and sanitation, public works, education, veterinary aid, revenue collection, etc., can be common and look after the planning and development of these functions better with marginal additional expenditure and supervisory attention. The planning necessarily will have to be an area plan linking villages and the urban community by a network of roads, communication, water supply, environmental and production projects as well as education, health, housing, employment promotion, and social welfare schemes. The operation and maintenance of the facilities must also be based on area-wide allocation of responsibilities. The key programmes of poverty alleviation and employment promotion would be common.

It is, therefore, necessary that these communities are covered by an amplified Panchayati Raj system which should include small town and village planning as one of its key functions. The chief implementing officer needs to be properly trained in the art of small town and village planning. This kind of town and country planning must focus on the needs and functions of small communities rather than large urban conglomerates. At the block level, a specialist needs to be provided to guide the activities in relation to the development of small towns and large villages and promote their role as stimulator and supporter of socio-economic development of the villages around and development of non-farm roles for fuller utilisation of human resources.

The Mandal/Group/Nagar Panchayat will be able to function more vigorously as a developer of small urban communities if the Panchayat Samiti is visualised as an area organisation not only for the development of rural areas but also small urban communities (up to a population of 20,000) within its jurisdiction. A small town and village planning specialist should be attached to Panchayat Samiti while the block development officers' training and orientation should include essential elements of resource development.

#### CONCLUSION

In the changed context, it is necessary to remove the anachronistic features of rural-urban dualism in the development of local self-government in India. A transitional period would be needed to prepare the ground for unified system of local self-government in the long run. The proposed frame for area planning bodies (district planning committees/metropolitan area planning committees) as constitutionally prescribed bodies for taking up the tasks of formulating plans of economic development and social justice for the area may be viewed as a transitional institutionalisation to facilitate interaction between rural and urban representatives and evolve common norms and understandings for casting a new set of relationships in the spatially distributed

population groups. The solution for the integration of forms of local government will vary with the character of urban communities and their zone of influence. While, on the one hand, the metropolitan communities might have common resource planning oriented to the strengthening of non-farm roles, the very small towns may be fused in Panchayat Samitis which may develop them as growth centres and result in formation of agro-industrial communities. The middle level urban communities would then become constituents of district planning body which must cease to function as an exclusively rural development planning organ but must take on the character of joint planning authority. □

# *Citizens' Participation in Urban Local Governments*

P.D. KARANDIKAR

CONSENT IS the quintessence of democracy and people's participation could be regarded, at its most simplistic, as institutionalized consent. However, the term implies something beyond consent and hence the numerous debates about its definition and scope. In a pluralistic society, participation can assume many forms and a seemingly inexhaustible variety of interpretations have been advocated.

## WESTERN EXPERIENCE

Direct participation in the classical sense, as in the Greek City—States is no longer considered practical in modern times and a representative form of democracy has gained general acceptance. However, there are many who consider the concept of 'representation' inadequate, particularly the notion that participation need not go beyond exercise of franchise in elections, as wholly unsatisfactory. Political thinkers like Almond and Verba<sup>1</sup>, James Bryce<sup>2</sup>, Thompson<sup>3</sup> regard active participation by citizens in decision-making—whether in the connection with local self-government, trade unions, cooperatives or other forms—an essential ingredient of a satisfactory democracy.

At the other end of the spectrum, the proponents of 'elitist' theory like Lipset<sup>4</sup>, Walker<sup>5</sup>, are more concerned with political cleavages that participation may lead to and prefer efficiency and expert knowledge in decision-making over equality and popular participation. Lipset<sup>6</sup> goes as far as to assert that "Citizens' participation is of appeal primarily to

<sup>1</sup>G.A. Almond and S. Verba, *The Civic Culture*, Boston, Little and Brown, 1965.

<sup>2</sup>James Bryce, *Modern Democracies*, London, Macmillan, 1921.

<sup>3</sup>D.F. Thompson, *The Democratic Citizen*, Cambridge, Cambridge University Press, 1970.

<sup>4</sup>S.M. Lipset, *Political Man : The Social Bases of Politics*, New York, Doubleday, 1960.

<sup>5</sup>J.L. Walker, "A Critique of the Elitist Theory of Democracy", *American*, 1966.

<sup>6</sup>S.M. Lipset, *op. cit.*, p. 175.

the disgruntled, to the personal failures . the uneducated, unsophisticated and authoritarian persons".

Some other commentators like Dahl<sup>7</sup>, Pragner<sup>8</sup>, Burnham<sup>9</sup> refer to the *de facto* democratic and electoral processes, by which the elites, the ruling cliques and the bureaucrats gain power under any system to demolish many of the idyllic notions of equality and popular sovereignty. Pragner<sup>10</sup> has described democracy as "elite governance with periodic election ceremonials". He observes that "the citizen, whose chief duty is to participate, is disappearing as an important political actor, leading to erosion of classical values because values and principles or opportunities can only be sustained if they are perpetually practiced, supported or used".

The inherent inertia of masses and eclipse of citizenship notwithstanding, institutionalized social work led to rise of new forms of community organizations in Western Europe and North America and a more coherent community development (CD) movement emerged. The issues like poverty, racial segregation, inner city development, delivery of welfare services are being tackled through community or neighbourhood committees in many western countries for over 40 years. Whether the CD movement has achieved its professed objectives and indeed what those objectives are—is debatable but it must be said that in the post-industrial western societies, characterized by apathy, withdrawal and complacency, the activist and often radical advocacy of community participation has afforded some opportunities for the citizen—particularly the underprivileged—to participate outside the formal electoral process.

#### *Participation in Developing Countries*

The problems of less developed countries (LDCs), many of which were former colonies and became free after the World War II, have a different dimension and context. The western democratic processes had to be imported and adapted in the LDCs and many countries have not passed the state of experimentation. Whereas economic development preceded social and political development in the West, the Third World countries have to contend with problems of mass poverty, ethnic rivalries, illiteracy, low levels of industrialization and foreign debt crisis. The realities of neo colonialism impose considerable constraints even on the national governments and centralized development planning can

<sup>7</sup>R.A. Dahl, *A Preface to Democratic Theory*, Chicago, Chicago University Press, 1956.

<sup>8</sup>R.J. Pragner, *The Eclipse of Citizenship*, New York, Holt, Rinehart and Winston, 1968.

<sup>9</sup>J. Burnham, *The Managerial Revolution*, New York, Putnam, 1942.

<sup>10</sup>R.J. Pragner, *op. cit.*, p.3

afford much less autonomy to the governments at sub national level. The state, which is required to assume the role of major change agent, as well as provider of goods and services, affects and influences practically every field of human activity. In this situation, the Third World non-elites would have even fewer opportunities for participation than their western counterparts.

In the cold war period, USA and other ex-colonial powers sponsored a large number of CD programme or (rural animasian in French Africa) as a means of bringing about rapid economic growth and at the same time, provide the masses a token form of participation with a view to avoid radical reactions. In India, democratic decentralization in the form of Panchayati Raj (PR) institutions was considered an essential concomitant of CD programme. After nearly 40 years of both CD and PR, we seem to be back at square one. We hear no more of CD and are trying to infuse some enthusiasm in the PR institutions by means of a constitutional amendment.

It is generally acknowledged that the main reasons for failure of CD programme in India (and elsewhere) was that it was imposed from the top and care was taken to see that it does not threaten the existing power relationships. The benefits of CD were cornered by the ruling cliques, consisting of the dominant castes and compliant bureaucracy. Thus, even in the states like Maharashtra and Gujarat, where PR institutions have stabilized, the correlation between success of CD and PR institutions has not been particularly strong.

Paulo Friere<sup>11</sup> who advocated a more activist and radical form of participation, emphasized popular awakening in their 'conscientisacion' movement in the Latin America. For Friere, the supreme touchstone of development is whether people who were previously treated as mere objects, known and acted upon, can now actively know and act, thereby becoming subjects of their own destiny.

The aspects of inequality and distributive justice dominated the re-thinking of development in the 1970s. The modernisation approach to development which gave primacy to rapid economic growth and believed in 'trickle-down' of prosperity, was increasingly seen to be inadequate in dealing with problems of mass poverty. The basic needs approach which gained acceptance by many international agencies like ILO, WHO and eventually the World Bank, emphasizes meeting basic minimum needs of the poorest section and believes that participation by the under-privileged in the decision-making process is a precondition to reorientation of development planning. The new poverty focused development strategy favoured more collaboration between non-government organizations (NGOs) and the official agencies. In many countries,

<sup>11</sup>Paulo Friere, *Pedagogy of the Oppressed*, New York, Herder and Herder, 1970.

Primary Health Care—a community based and deprofessionalised form of health services—was successfully demonstrated and has been adopted by international agencies like WHO and UNICEF. Although the new thinking has spread to other social services like housing for the urban poor, nutrition and adult literacy and the professional planners have now come to—at times reluctantly—accept the need for a broad-based planning methodology; the gap between what is professed and what is practiced can be wide.

The macro level economic planning is admittedly, a relatively centralized and elitist exercise but micro level planning and implementation can become more participative. The international aid agencies are now making explicit efforts to redirect aid towards the poor and to increase beneficiary participation. Finsterbusch and Wicklin<sup>12</sup>, after studying 52 projects supported by USAID in different countries, conclude that participation improves projects and should be encouraged as a general rule. Michael Cernea<sup>13</sup> has come to a similar conclusion after studying Mexico's PIDER programme. There are signs that a change in the direction of more participative forms of planning and decision-making in the developing countries is possible and sustainable.

#### *Meaning of Participation*

The term has been used very frequently but there is considerable confusion about its precise meaning. According to Wolfe (and UNRISD)<sup>14</sup>, participation means "the organized efforts to increase control over resources and regulative institutions in a given social situation, on the part of groups and movements hitherto excluded from such control". Rifkin<sup>15</sup> identifies three common characteristics of the various definitions : (a) it must be active and go beyond passive acceptance of benefits; (b) it must involve a choice and responsibility to make choices; and (c) the choices must be capable of implementation, i.e., mechanisms must be present/created to allow implementation.

The four fold description used by Sanders<sup>16</sup> to describe the nature of community development can also be used in the case of 'participation'.

<sup>12</sup>Kurt Finsterbusch, Wicklin III and A. Warren, *Beneficiary Participation in Development Projects: Empirical Tests of Popular Theories*, Chicago, Chicago University, 1989.

<sup>13</sup>M.N. Cernea, *A Social Methodology for Community Participation in Local Investments: The Experience of Mexico's PIDER Program*, World Bank Staff Working Paper No. 598, Washington DC World Bank, 1983.

<sup>14</sup>Marshall Wolfe, *Participation: The View from Above*, Geneva, UNRISD, 1983.

<sup>15</sup>S. Rifkin, *Health Planning and Community Participation: Case Studies in South East Asia*, Beckenham, UK, Crom Helm, 1985.

<sup>16</sup>Irwin T. Sanders, "The Concept of Community Development" in Lee J. Cary (ed.), *Community Development as a Process*, Columbia, Mo., University of Missouri Press, 1970.

It is used to describe a *process* of decision-making by which the participants define their common needs, prepare a plan and implement it. At times, it refers to a *method* of implementing programmes, consisting of a set of procedures. When some content is added, such as a list of activities, it becomes a *programme* with definite objectives and time frame. It can also be understood as a movement or *ideology*.

After studying a large number of World Bank aided projects, Samuel Paul<sup>17</sup> identified the main objectives of participation as effectiveness, efficiency, cost sharing, capacity building and empowerment. It could be said that the method and programme orientation would tend to emphasize the objectives of effectiveness, efficiency and cost sharing, whereas ideology and process orientation would be more concerned with building up community's capacities to organise and to mobilise resources for achieving its own goals and with empowerment.

A semantic debate over the use of the term 'involvement' in preference to 'participation' has also been observed. For example, Desmond Heap<sup>18</sup> defines 'participation' as active participation in the decision-making process and prefers 'involvement' defined as an awareness of policies through consultation. Behind this view, there is a serious concern about erosion of the role of elected representatives as also an elitist apprehension about allowing masses to 'take' decisions when they lack knowledge, information and competence. Lee and Mills<sup>19</sup> also prefer to use the term involvement as a more practical alternative, which encompasses four major elements of collaboration, consultation, participation and negotiation. One could perhaps take a simplistic view that those with process and ideology orientation would prefer to use the term 'participation' whereas 'involvement' would denote a pronounced programme orientation. However, the concept ought to be understood as a composite of both the orientations, although either term may be used. In a given situation, it is likely that the sponsors/participants of a particular programme may opt for either orientation, and a possibility of objectives/orientation being less than clear also must be admitted.

#### PARTICIPATION IN URBAN LOCAL BODIES

Most of the debates about participation *vis-a-vis* elected representatives and elites often relate to national or macro level setting. As

<sup>17</sup>Samuel Paul, *Objectives of Participation*, World Bank, (unpublished paper), 1986.

<sup>18</sup>Heap Desmond, "Citizens' Participation in the Formation of Goals for the Environment of Human Settlements", *Papers and Proceedings*, Vol. II, Seminar by International Federation of Housing and Planning, The Hague, 1976, p. 29.

<sup>19</sup>K. Lee and A. Mills, *Policy Making and Planning the Health Sector*, London, Croom Helm, 1982.

observed earlier, there is a distinct and progressive narrowing of autonomy at each successive sub-national level of government. In the context of economic planning, need for conformity with the national plans and over all development strategy, would mean that decision-making at the lower levels would afford fewer opportunities for the people to participate meaningfully. When the governments at city or town level are themselves weak or ineffective, how can the people benefit by participating in them? The problem is particularly serious in the developing countries, where "many local governments are fragmented, confused about their functions and all two often, either invisible or largely ceremonial".<sup>20</sup>

During the last 60 or 70 years, the urban population of Third World has grown from about 100 millions to 1000 millions<sup>21</sup> and the trend appears to be accentuating but correspondingly, urban local bodies do not appear to have been strengthened. In pre-independence India the British rulers introduced municipal bodies mainly to draft services of Indians in performing routine administrative functions and also to provide a training ground for them in the principles and practices of self-government. After independence, the planners were pre-occupied with promoting development in the rural areas. Local self-government being a state subject, several enactments came to be passed in different states but the role of urban local bodies has not been defined/restated. According to Mukharji<sup>22</sup>, this is a serious lacuna because functions emerge from the role.

In the context of rapid urbanization, the municipal governments must play a significant role in building up infrastructure. They provide a wide range of services and thereby attract and sustain economic activity. Their contribution to national economic and social development, mostly goes unnoticed Gangadhar Jha<sup>23</sup> has observed that in countries like Yugoslavia and England, urban local bodies are responsible for a wide range of activities affecting agriculture, industry and commerce. He strongly advocates a clear restatement of the role of urban local bodies in India.

<sup>20</sup>G. Cochrane, *Policies for Strengthening Local Government in Developing Countries*, World Bank Staff Working Papers No. 582, Washington DC, World Bank, 1983.

<sup>21</sup>United Nations, *The Growth of the World's Urban and Rural Population 1920-1980*, Population Studies No. 44, New York, Department of International Economic and Social Affairs, 1969; and *Patterns of Urban Rural Population Growth*, Population Studies No. 68, *op cit.*, 1980.

<sup>22</sup>G. Mukharji, "Problems of Urban Government" in A. Awasthi (ed.), *Municipal Administration in India*, 1972.

<sup>23</sup>G. Jha, "The Urban Local Bodies in India: An Appraisal", in G. Bhargawa, (ed.), *Urban Problems and Policy Perspectives*, New Delhi, Abhinav Publications, 1981.

### *Performance of Urban Local Bodies in India*

How have the municipalities performed within their limited sphere of activities and resources? Generally, they have lagged far behind the growth of population in providing basic services. In India's five major cities the number of households without tap water ranges from 33.1 per cent in Ahmedabad to 66.9 per cent in Calcutta, those without toilet facilities range from 26.1 per cent in Ahmedabad to 50 per cent in Calcutta.<sup>24</sup> Most of the underserved or unserved citizen reside in slums or on pavements and are usually considered ineligible for services being unauthorized or illegal occupants.

Municipalities perform many regulatory functions and in that respect, can be regarded as the cutting edge of administration in the cities. Jagannadham and Bakshi<sup>25</sup> have observed that in a number of studies conducted in India, it was found that "the citizens are not well informed about rules and regulations because the communication is defective and the language of communication is dysfunctional. A natural corollary is delays in disposal and corruption".

The failure of municipalities in spatial planning and development control is too obvious to need a detailed elaboration. At least a quarter of the population in most Third World cities live in slums while in many the proportion can rise to three quarters.<sup>26</sup> In India, Planning Commission estimated that by 1985 nearly fifth of the total urban population or 33.1 million people would be living in slums.<sup>27</sup>

To a large measure, responsibility for proliferating slums must be shared by the national and state governments. Firstly, the national economic planning in India has been devoid of a spatial dimension<sup>28</sup> and urban local bodies have generally not been associated with economic planning. Secondly, the colonial practices and borrowed western concepts of town planning imposed unrealistic standards and building codes.<sup>29</sup> We have dozens of master plans and regional plans prepared by experts but most of them remain an exercise in futility for people ignore them and municipal bodies lack resources or political will or both to implement them. Nevertheless, no sooner period of one master plan runs out,

<sup>24</sup>India Today, January 31, 1987.

<sup>25</sup>V. Jagannadham and N.S. Bakshi, *Citizen and the Municipal Bureaucracy*, New Delhi, Indian Institute of Public Administration, 1971.

<sup>26</sup>J. E. Hardoy and D. Satterthwaite, "Third World Cities and the Entertainment of Poverty", *Geoforum*, Vol. 15, No. 3, 1984.

<sup>27</sup>Planning Commission, *Report by Task Force IV on Housing and Urban Development: Shelter for the Urban Poor and Slum Improvement*, New Delhi, Government of India, 1983.

<sup>28</sup>C.S. Gupta, "Urban Development Planning and Policy Issues" in G. Bhargava (ed.), *op. cit.*, 1981.

<sup>29</sup>Alfred DeSouza, "Slums and Squatter Settlements in Metropolitan Cities", in G. Bhargava (ed.), *op. cit.*, 1981.

another expert exercise begins. As DeSouza<sup>30</sup> has pointed out, "urban housing is not a question of finance so much as the consequence of social stratification of the urban population and the elitist values which determine the structural elements of housing policies. . . ." Thirdly, there is a plethora of specialized agencies and institutions created by the state and central governments, often within overlapping functions. The result is a fragmented and confused institutional structure.

Although new productive investments tend to concentrate in cities, it is the larger industrial and commercial interests and the upper income groups usually benefit from investments. The urban poor receive little or no benefit from vast sums spent on increased capacity for water supply, telecommunications or power stations since they do not receive these new services.<sup>31</sup> Even in the case of public housing or sites and services schemes, the number of units produced is very small relative to the need while in many instances, better off households get allocated subsidized housing or sites.<sup>32</sup>

The problem of slums has assumed the proportions of a crisis in India but there is still a large incongruence between the perceptions of the slum dwellers and the Municipal/government planners. As Abraham<sup>33</sup> has observed, "While administrators see slum dwelling as a problem, for the people, it can be a solution". DeSouza<sup>34</sup> concludes that "the causes of slum formation are neither industrialization nor the size of the city but urban poverty and the socio-cultural marginalization of the urban poor". The urban local bodies in India, many of whom are more than a century old, do not appear to exhibit a particular advantage due to their close proximity with the people, in better appreciation of their problems.

#### *Responses to the Deepening Urban Crisis:*

Although, a social housing scheme made a token appearance in the First Five Year Plan in 1952, the amounts provided in the successive plans were meagre and they were mainly directed towards construction of formal houses by public agencies. These agencies built too few houses and they were priced too high for the poor. "The money would

<sup>30</sup>Alfred DeSouza, *op. cit.*

<sup>31</sup>C. Moser and D. Satterthwaite, *The Characteristics and Sociology of Poor Urban Societies*, Paper at Workshop on Community Health and the Urban Poor Organised by LSG, OXFAM and UNICEF at Oxford, UK, 1985.

<sup>32</sup>S. Blitzer, J.E. Hardoy and D. Satterthwaite, "Shelter: People's Needs and Government Response", *Ekistics*, 286 Jan-Feb, 1981; J. Linn, *Cities in the Developing World: Policies for their Equitable and Efficient Growth*, Oxford, Oxford University Press, 1983; and Planning Commission, *op. cit.*, 1983.

<sup>33</sup>P. Abraham, "Urban Community Development: A Case Study", *Journal of the Institute of Local Self-Government*, Bombay, January-March, 1983.

<sup>34</sup>Alfred DeSouza, *op. cit.*

have gone much further if it had been spent on land development and basic services".<sup>35</sup>

The first slum clearance scheme was introduced in 1956. Common responses to proliferating slums were bulldozing and relocation. When the failure of such policies became apparent, the slum improvement scheme was introduced in the Central sector for the first time in 1972 for 20 cities. The world wide rethinking on enabling policies and self-help housing has influenced policies in India also and successive plans have provided increasing outlays, although far too insufficient relative to need. Some of the World Bank assisted projects and schemes like Integrated Urban Development Programme (IUDP) and IDSMT have also been undertaken. The National CD Programme was introduced in the rural areas in 1952. In 1958, the first pilot urban CD programme was introduced in Delhi. By the end of the Fourth Plan, about 30 such projects were in operation, the largest number being in Gujarat—18—and the two most successful projects being in Andhra—Hyderabad and Vishakhapatnam. Declaration of national housing policy and appointment of a National Commission on urbanization (NCU), embody some of the recent responses and also indicate that the problem of urban poverty has attracted serious attention of the national planners.

#### *Are the Policies Participative?*

This article does not intend to review or describe the contents of the various aforementioned policy responses or attempt a detailed evaluation. The major areas of interest would be the shifts in methodology of plan formulation and plan implementation, the role on urban local governments and the orientation towards citizen's participation.

There does not appear to be a major departure from the top-down method of planning which characterized most of the earlier plan-schemes. The National Commission on Urbanization (NCU) observes "... barring a few exceptions like the UCD projects and the activities of some NGO's, not much planned effort is visible either to involve people in urban development processes, projects and schemes or even to offer them incentives to find their own solutions for local problems."

The primary health care strategies came to be adopted in the rural areas of India in the mid-seventies and the urban PHC took its first faltering steps in the form of 'outreach' services programme introduced in Bombay in mid-eighties. The Integrated Child Development Scheme (ICDS) which was introduced in some pilot rural blocks in the late seventies, has now been made applicable in urban areas also. However, these two schemes are implemented by specialized agencies and the

<sup>35</sup>Planning Commission, *op. cit.*, 1983.

municipal bodies have not been entrusted with implementation (except the outreach programme in Bombay). Both these programmes are said to be 'Community based' and in ICDS, community volunteers are involved. The component of community health workers, which was originally included in the outreach programme, was subsequently deleted.

The problems of health and housing are closely interrelated, more particularly in the urban areas.<sup>36</sup> Urban PHC, ICDS and Slum upgradation programmes have many common features and interdependent components. It is now well-recognized that programmes of this nature would do much better if they are multi-sectoral and community-based. In India, such programmes are too few, and lack community orientation. Even the involvement of urban local governments is minimal. The contents of these schemes, the sequencing of activities and budgeting are all 'prescribed' by the planners at the national or state level, often in consultation with experts, some of whom are provided by international agencies. Not surprisingly, the urban local bodies have not been over enthusiastic about these schemes and the coordination among the multiple agencies is weak. These conditions are not conducive to effective and enthusiastic participation by the beneficiaries.

As Rifkin<sup>37</sup> has observed, solutions to urban problems have taken two basic approaches—the scientific/technical approach and the community oriented approach. The efforts which have focused on technical solutions—like expansion of curative medical facilities nursing services and provision of more doctors in the case of health programmes—have met with increasing frustration and little impact. However, the faith in technocratic solutions to every social and economic problem is still undiminished, as Arun Ghosh (1989) has observed. "This approach is symbolized by the constitution of one technology mission after another, as if a few bureaucrats assisted by a few technocrat specialists in their own fields (not necessarily in the ones they are deployed) can deliver the goods by themselves".<sup>38</sup> The community approach which aims to find the felt needs of the intended beneficiaries and to work together with them, has the inherent ability to prioritize the needs and optimize utilization of limited resources.

The competence of 'experts' in finding a proper technology-fit and in commanding acceptance by the community is also at times exaggerated. Two examples from Hyderabad's CD project cited by P.

<sup>36</sup>World Health Organisation, *Improving Environmental Health Conditions in Low Income Settlements: A Community Based Approach*, Offset Publication No. 100, Geneva, WHO, 1987.

<sup>37</sup>Susan B. Rifkin, "Community Involvement in Primary Health Care Among the Urban Poor", paper presented at the *Workshop on Community Health and the Urban Poor* at Oxford, UK, 1985.

<sup>38</sup>Economic and Political Weekly, October 7, 1989.

Abraham<sup>39</sup> illustrate this. In one slum colony, the layout of the houses prepared by the engineers could not accommodate all the families. When the project staff discussed the layout with the people, at the suggestion of one community member, a 60 feet wide road was cut down to 12 feet as the community did not see the need for such a wide road in a slum colony. With the extra space available, all the families could be accommodated without violating the basic planning norms. The second example relates to introduction of Ready-to-Eat (RTE) food from UNICEF-founded factory as supplementary nutrition. Community members did not consider this food to be useful but when the project staff took them to the factory and explained what went into the food, there was a dramatic increase in the number of children covered by the programme.

The problems of recovery of usercharges and maintenance of common facilities have been often cited by authorities as hurdles. However, experience of many community-based projects shows that community halls, nursery schools, dispensaries or latrines built through contributions from the communities are usually better maintained and more intensively used than such amenities built solely on outside initiative and finance. The success of Sulabh International's latrines illustrates the strengths of appropriate technology and community orientation. Usually community-oriented projects like ASAG's project in Gujarat or UCD in Hyderabad<sup>40</sup> have been more successful in recovering usercharges than most of the 'top-down' slum upgradation projects.

#### FORMS AND CHANNELS OF PARTICIPATION

As the National Commission on Urbanization (NCU)<sup>41</sup> have observed, "Almost every sector and sub-sector in the National Five Year Plan document has a section on people's participation...however... the excessive government control over the entire development effort and machinery has inhibited people's participation .... The government machine has grown enormously and both the survival needs and the vested interests that get built around such structures, obstruct people's initiatives and actions".

The formal channels of representative democracy are increasingly seen by the people as inadequate measures to protect their interests and to promote their welfare. A number of protest movements like Nivara Hakka Samiti in Bombay have sprung up in order to resist coercive slum-

<sup>39</sup>P. Abraham, "Urban Community Development: A Case Study", *op. cit.*

<sup>40</sup>Planning Commission, *op. cit.*, 1983.

<sup>41</sup>NCU, *Report of the National Commission on Urbanization*, Vol. II, New Delhi, Government of India, August 1988.

relocation schemes. They resort to agitational measures, while some groups like the People's Union for Civil Liberties (PUCL) seek judicial intervention through public interest litigation. Although such forms of citizen participation are *ad hoc* and transient and their positive contribution in terms of concrete development projects may be minimal, they indicate the urgency of attitudinal changes on the part of authorities in dealing with problems of urban poverty. Such protest movements are, in a sense, inevitable as Albert Camus<sup>42</sup> has observed, "In a certain way, man confronts an order of things which oppresses him with the insistence of a kind of right not to be oppressed beyond the limit that he can tolerate .. I rebel, therefore, we exist".

Another phenomenon that is becoming increasingly common is formation of voluntary action groups such as "citizens' committees" or organisations like 'SOCLEEN' and Bombay Environment Group in Bombay, which act either as avenues for redressal of grievances or as pressure groups to mobilize public opinion around certain issues and activities which the organizers feel must receive priority and official sanction.

Another set of NGO's like Streehitkarini in Bombay or Sulabh International in Bihar or SEWA in Gujarat get involved in operational management of projects. They may play a diversity of roles as advocacy planners or providers of relief and services or deliverers of government sponsored services or implementers of government sponsored schemes or as channels of private investment in public projects. The NGOs are increasingly becoming major actors in development. The international aid agencies may be attracted to them for their capacity to innovate or to reach the intended beneficiaries or to coordinate efforts of various statal and para-statal agencies or to mobilize supplementary resources or to improve efficacy of delivery system or to execute projects relatively cheaply. In fiscal 1989, out of 225 loans approved by the World Bank, 52 involved NGOs in some manner. There are some NGOs like FUNDASAL in El Salvador, who have directly received international aid (with the approval of the sovereign governments). Urban Edge<sup>43</sup> has observed that "Until mid-1980s NGOs were all but ignored by the official development community. Worse still, in some countries, governments saw them as threats to established order ... Some governments have started to fund NGOs. For instance, Brazil is providing grants worth \$200 million to rural community groups". In India, the Seventh Five Year Plan document proposed that an amount of Rs. 100-150 crore should be set apart to support activities of NGOs in various poverty alleviation programmes in the rural sector. To help, promote

<sup>42</sup>A. Camus, *The Rebel*, New York, Vintage Books, 1956.

<sup>43</sup>Urban Edge, "NGOs Gain Clout, Recognition", Editorial in *Urban Edge*, Vol. 13, No. 8, (A periodical publication of the World Bank, Washington DC).

and coordinate their work, a special agency called CAPART (Council for Advancement of People's Action and Rural Technology) has been set up. The NCU<sup>44</sup> note that the plan document refers to only rural sector and have recommended establishment of similar agencies at the national, state and city level to activate citizen participation in the urban development field.

Recognizing the limitations of formal elected bodies, in some programmes, like the UNICEF supported Urban Basic Services Scheme, the programme management structure provides for cooption of community representatives. In eight towns of Andhra Pradesh, over 13,000 women members of 'neighbourhood committees' take part in management of basic services and child development activities.<sup>45</sup> Hyderabad's UCD makes extensive use of organizations like Women's Clubs, Youth Clubs and other NGOs doing some work in the project area. Apart from attitudinal changes, active participation calls for some innovations in the institutional structures also.

### CONCLUSIONS

After the national development strategies of many LDCs changed their growth-orientation to admit anti-poverty programmes in their fold, the rural areas were accorded primacy both due to high incidence of absolute poverty in villages and the large proportion of rural population. The problems posed by increasing urbanization and the extent of urban poverty, are now increasingly recognized. The tendency to find technological solutions to socio-economic problems in a centralized planning environment is still present but the role and efficacy of participative mechanisms are gaining increasing recognition.

The elitist arguments in support of planning by experts for the people are slowly giving way to recognizing the valuable contributions from communities in designing development programmes with greater relevance to the felt needs of the people, using more appropriate technologies and in implementing them effectively, efficiently and equitably. The modalities and extent of coopting of communities and NGOs in the decision-making processes are perhaps still a matter of debate and experimentation, primarily because the vested interests perceive participation as a destabilizing force capable of altering power-relationships. A consensus, however, seems to be emerging in the direction of adopting more participative styles of development administration.

<sup>44</sup>NCU, *Report of the National Commission on Urbanization, op. cit.*

<sup>45</sup>UNICEF, *Urban National Management*, Occasional Paper No. 6, Urban Basic Services Series, New Delhi, UNICEF Regional Office, October 1986.

The Urban local government in most developing countries are weak and often in search of a development role. Citizens' participation in development is not seen solely in terms of NGOs and non-official channels of involvement. The urban local governments can, and should be the most important agency in involving the citizens in urban development efforts. □

# *Training and Developing Skills for Urban Management*

H.D. KOPARDEKAR

URBANISATION AND rapid urban growth have posed several problems before the authorities concerned and more particularly the municipal governments both in the developing as well as the developed countries. Besides the major problem of funding, the organisational structure and the management systems being followed have also to be examined and suitable steps taken for improving the performance to cope up with the problems. Though several steps can be taken to strengthen the municipal governments externally, much more also needs to be done to improve the internal efficiency, economy, speed and methods of working.

Since the municipal functions cover a wide range of all aspects of human life from 'Cradle to Grave', and since the human society itself is a dynamic entity full of variety, and since the aspirations of the people are rising and the complexities in the organisational working are constantly increasing, and the demands for infrastructure are growing very rapidly, the municipal governments will have to try and constantly improve their performance.

The changing requirements of municipal working and its complexities have made it obligatory that the approach in the day-to-day working and in the long and short range planning and development is radically changed. From administering the small inhabited areas in the olden days, the modern municipal government has to develop and manage complex activities for managing the development forces.

This cannot be achieved without a continued programme of training and serious concern for development of skills and human resources which are the pillars of any organisational working. Training and developing of human resources is an important tool for the municipal governments to cope up with the situation. Developing and managing infrastructure within the available resources and augmenting the resources to develop further, and manage the assets, to keep the cities and the towns going, are uphill tasks.

## NEED FOR NEW APPROACHES IN TRAINING

It is in this context that the awareness about training has grown recently and efforts are being made to make it more relevant and useful. Basic approaches in the training in every field today, are based either on the routine academic or the university education or from training approaches in industry and business. It has to be noted that both these approaches need considerable modifications because of the practical but complex nature of the municipal working. Considerable work has of course been undertaken in many countries, e.g., INLOGOV and LGTB in UK or STADETAG in West Germany or VNG in Netherlands, etc., which have developed their own approaches more suitable for the situation.

With this background, it would be useful to review the situation in India briefly and discuss the international perspective and suggest an action agenda.

*The Training Perspective of the Urban Management Sector in India and Lessons for the Developing Countries*

The already massive size of urban population of 160 million in 1981 is expected to be doubled by 2001 in India which is a major challenge before the municipal bodies (over 2,400 in no. today) and the development authorities (over 60 in no. today). The variety of types of municipal bodies and their distribution is indicated in Table 1. India has several languages and states have their own laws and practices in respect of urban management and these and many other factors pose several difficulties in arranging the training programmes.

The tasks of urban management have changed from mere street cleaning and street lighting to a more development oriented work but their structure, resources and the methodology have changed very little in the last couple of decades. It is only now that the Government of India has taken the initiative and some important changes are in the offing. The constraints experienced so far are likely to be changed and more autonomy, assured resources and functions are proposed. It can now be expected, that more bureaucratic and state level boards/authorities and agencies whose experience has not been so good, will not be established henceforth to weaken the municipal government further, but the municipal government itself will be strengthened. There are also many suggestions to improve the organisational, structure and the relationships with the hinterland. Simultaneously, the Roles and Relationships in the three tiers of government—the Central, the state, the local governments will change. This calls for a much more and stronger emphasis on training and skill development.

TABLE I LOCAL BODIES IN INDIA

| States                    | Municipal Corporations | Municipal Councils | Town Area Notified Area Committees | Cantonment Boards | Total       |
|---------------------------|------------------------|--------------------|------------------------------------|-------------------|-------------|
| Andhra Pradesh            | 3                      | 86                 | 3                                  | 1                 | 93          |
| Arunachal Pradesh         | —                      | 7                  | —                                  | —                 | 7           |
| Assam                     | 1                      | 24                 | 38                                 | —                 | 63          |
| Bihar                     | 3                      | 71                 | 71                                 | 1                 | 146         |
| Gujarat                   | 6                      | 52                 | 4                                  | 1                 | 63          |
| Haryana                   | —                      | 64                 | —                                  | —                 | 64          |
| Himachal Pradesh          | 1                      | 19                 | 16                                 | 4                 | 40          |
| Jammu & Kashmir           | —                      | 3                  | 53                                 | 2                 | 58          |
| Karnataka                 | 6                      | 230                | 6                                  | 1                 | 243         |
| Kerala                    | 3                      | 43                 | 60                                 | 1                 | 107         |
| Madhya Pradesh            | 17                     | 206                | 77                                 | 8                 | 308         |
| Maharashtra               | 11                     | 216                | —                                  | 8                 | 235         |
| Manipur                   | —                      | 5                  | 30                                 | —                 | 35          |
| Meghalaya                 | —                      | 1                  | —                                  | —                 | 1           |
| Mizoram                   | —                      | 4                  | —                                  | —                 | 4           |
| Nagaland                  | —                      | —                  | 3                                  | —                 | 3           |
| Orissa                    | —                      | 30                 | 71                                 | —                 | 101         |
| Punjab                    | 3                      | 96                 | 30                                 | —                 | 129         |
| Rajasthan                 | —                      | 189                | 10                                 | 1                 | 200         |
| Sikkim                    | 1                      | 1                  | —                                  | —                 | 2           |
| Tamil Nadu                | 3                      | 110                | —                                  | 1                 | 114         |
| Tripura                   | —                      | 1                  | 9                                  | —                 | 10          |
| Uttar Pradesh             | 9                      | 198                | 47                                 | 21                | 275         |
| West Bengal               | 3                      | 105                | 5                                  | 1                 | 104         |
| <i>Union Territories</i>  |                        |                    |                                    |                   |             |
| Andaman & Nicobar Islands | —                      | 1                  | —                                  | —                 | 1           |
| Chandigarh                | —                      | 1                  | 1                                  | —                 | 2           |
| Dadra & Nagar Haveli      | —                      | 1                  | —                                  | —                 | 1           |
| Delhi                     | 1                      | 1                  | 1                                  | 1                 | 4           |
| Goa, Daman & Diu          | —                      | 11                 | —                                  | —                 | 11          |
| Lakshadweep               | —                      | —                  | 3                                  | —                 | 3           |
| Pondicherry               | —                      | 1                  | 4                                  | —                 | 5           |
| <b>TOTAL</b>              | <b>71</b>              | <b>1766</b>        | <b>542</b>                         | <b>52</b>         | <b>2431</b> |

Since development management will be the main task before the municipal governments which are already grappling with the urban growth and management problems and are finding themselves unable to cope up with the same, some special efforts are called for, but before that, some idea about the complexities needs to be obtained. Because of the wide variation in the levels of urbanisation and variety of types of urban local governments and lack of reliable data base, it is difficult to make more specific estimates but some guess-estimates could be made as a starting point. The available statistics of some states indicate that

the number of municipal employees, varies between one employee per 80 to 100 number of population in the city in more developed states like Maharashtra, Gujarat, West Bengal but in some undeveloped and remote states like Assam, it goes down even to 1 per 200 persons in the cities and towns. Based on these figures, some assumptions are made and a rough estimation of municipal staff to be covered today and in the near future (for 1991 and 2001) is made and the results are indicated in Table 2. The rough estimates show a big task in training and skill development. Specialised Training Programmes will have to be designed for upgrading the knowledge and skills of the staff to meet the challenges in all categories of towns and cities for managing their development programmes.

TABLE 2 EXISTING AND PROJECTED NUMBER OF TOWNS, URBAN POPULATION AND LOCAL LEVEL EMPLOYEES

| Size | Category of Cities/Towns   | 1981             |                          | 1991             |                          | 2001             |                          |
|------|--|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|
|      |  | 100,<br>000<br>+ | 100,000<br>and<br>others | 100,<br>000<br>+ | 100,000<br>and<br>others | 100,<br>000<br>+ | 100,000<br>and<br>others |
| A    | No of cities/towns   | 218              | 3083                     | 260              | 4229                     | 360              | 4129                     |
| B    | Projected urban population (in millions)   | 95               | 65                       | 140              | 94                       | 196              | 130                      |
| C    | Number of citizens per municipal and other employee (norm derived from existing situation and projected) | 150              | 200                      | 150              | 250                      | 100              | 150                      |
| D    | Estimated total number of municipal and other employees  | 633330           | 325000                   | 933330           | 376000                   | 1960000          | 866670                   |
| E    | Supervisory staff at 10% of total employees  | 63333            | 32580                    | 93333            | 37600                    | 19600            | 86667                    |

NOTE : The above calculations are based on total number of urban areas. In reality all urban areas are not Municipal towns/cities. However in view of a large number of state level organisations with local level functionaries and several Development Authorities, the total numbers as worked out above, may be assumed to be the number of persons to be covered by suitable training programmes.

#### *Present Institutes and Arrangements for Training in Urban Management in India*

Some institutes and organisations in India are actively engaged in the stupendous task of providing training to the urban managers, staff in the Local Self-Governments and the elected representatives. Except the All India Institute of Local Self-Government, two Regional Centres, two state level institutes and a couple of centres in some

local governments themselves, all the other institutes are covering many other fields and not catering exclusively to the needs of Urban Local Government requirements. Some of these also organise programmes only for one particular category like senior officials, some only conduct some standard routine programmes, and others arrange only those entrusted by some authorities. Some of the municipal corporations have their own training units but the total number of staff covered by all these is small and only certain categories are covered.

The AIILSG has developed different modules for covering various levels and categories of staff, the senior officials and also the elected representatives periodically even by organising programmes at different places in India and by sending faculty to various places.

#### *Main Objectives of Training Programmes*

It would be necessary to strengthen this effort by bringing all the agencies together for a massive attack on the situation of inadequate awareness of roles, responsibilities and need of the hour of dealing with all the issues especially on the basis of following five golden principles:

1. Ensuring technical feasibility;
2. Ensuring financial viability;
3. Securing adequate financial yield (where relevant);
4. Ensuring equity; and
5. Ensuring political acceptability.

It is only then that some impact can be made on the situation.

#### *The Context and the Contents vis-a-vis the Objectives*

It is important that the training programmes are organised in the context of the overall urban management problem, and to achieve the desired objectives of development in the particular situation in the country, e.g., the need for a decentralized growth pattern and satisfying the rising aspirations of people through better urban management. Considering the situation in the developing countries, and particularly in India, the working and, therefore, the training programmes will also have to be designed on the basis of main objectives like the following:

| <i>Target Group</i>  | <i>Main Emphasis</i>  |
|--|---|
| 1. Officials and staff in the<br><i>Municipal bodies in large cities</i> | <i>Policies and development for controlling the growth and environmental improvement measures as also betterment of services and amenities in the interest of economy, efficiency and equity.</i> |

| <i>Target Group</i>  | <i>Main Emphasis</i>   |
|--|--|
| 2. Officials and staff in the Municipal bodies in <i>medium size cities</i> (0.5 million and above)        | Improving conceptual skills to enable them to better plan and to take decisions for effective municipal management.  |
| 3. Officials and staff in the Municipal bodies in <i>small size cities and towns</i> with growth potential | <i>Policies and programmes for improvements in existing infrastructure to attract selective development inputs and growth to a limited extent. Improving mainly technical and interpersonal skills to ensure effective implementation of plans and to ensure teamwork. Positive programmes and investments for attracting rapid development and offering incentives as also raising resources by innovative measures and policies. Improving technical and human relations skills.</i> |

*It would be necessary to design and implement new Training Programmes in such a way, that the participants understand and identify the situational requirements and initiate development activities and maintain services in the context of these requirements. It will also be necessary that refresher programmes are arranged to enable them to update their knowledge and skill and have opportunities to exchange experience and sharpen their tools and approaches.*

*As regards the functionaries in the Urban-Local Government, it will be necessary to design the programme in such way that they update their knowledge and skills and step up the performance in the context of efficiency, economy considerations and mainly have an eye on cost recovery and business-like approach.*

*The decision-makers both elected and appointed will also have to be given similar orientation in a skillful way alongwith needed exposure to Behavioural Science and most important, the exact awareness of their real role and their relationship with the staff and officers, and the fact that the municipal bodies are not employment providers but are facilitators of development and more economy in operation, will lead to better services.*

*It will also be necessary to design suitable programmes for a more supportive role by the municipal bodies both in the matter of employment generation and also in social welfare activities, in view of the urgent need of the hour and in the situation in the developing countries and the rising aspirations of the people and the closeness of the Urban*

Local Governments with the people as compared to the other levels of government.

### *Some Important Topics and Broad Contents of Programmes*

In light of what has been discussed so far, the broad contents of training programmes could be listed if the main aim of improving urban management effort is to be achieved and the municipal governments are to perform their right roles in the perspective of relationships of governmental hierarchies in different countries and local situations, with some adjustments wherever needed.

*Development and Management of Services* : (i) Water supply, sewerage and sanitation; (ii) Public health, particularly immunisation, mother and child care and population control; (iii) Solid waste management; (iv) Roads and bridges, street lighting; (v) Building and encroachment control; (vi) Supportive activities for shelter sector especially slum-upgradation, urban renewal, etc.; (vii) Building maintenance; (viii) Provision of community facilities and socio-culture activities; and (ix) Activities for promoting socio-economic development such as employment promotion and social welfare activities and urban community development.

The task in the development and management of the above services and facilities involves land development and land management, project planning and management and also some policy planning and programming, etc.

*General Management* : (i) Personnel Management; (ii) Estate Management; (iii) Information Management; (iv) Financial Management; (v) Environmental Management; (vi) Safety and Security Promotion; and Disaster Management; and (vii) Policies and Decision-Making and Reviews, Meetings Management.

### *Difficulties Need to be Sorted Out*

It would also be essential to sort out difficulties in conducting training and in achieving the desired objectives. The difficulties experienced in India and confirmed in many other studies and evaluations in different countries need to be mentioned alongwith suggestions as to what steps can be taken to overcome those. The problems and suggestive steps are discussed below:

#### *Problem I*

Lack of awareness about the usefulness of training in stepping up the performance of the municipal government.

*Suggestions*

- (i) Seminars, workshops and meetings of decision-makers, controlling officers, ministers, etc., from the higher level governments and departments for the elected representatives and senior officials.
- (ii) Visits to better managed municipal bodies which have used training as an input in their improved performance and development of their personnel.
- (iii) Organising the discussions at attractive places and in some cases securing the sponsorship of international agencies and participation of international level experts or some such other attraction will also be essential.
- (iv) Issuing circulars and letters and ensuring compliance reports etc., by the controlling authorities.
- (v) Appointment of training officers or coordinators in all large municipal governments and for groups of smaller size municipal governments and involving such officers in the appraisal/evaluation of the performance of municipal staff besides their work of arranging the training.
- (vi) Linking up the organisational rewards such as postings, promotions, etc., to performance of individual employees as an incentive for learning and participation in training programmes for learning new knowledge and skills.

*Problem 2*

Lack of adequate finances for training programmes.

*Suggestions*

Making it obligatory to make budget provision for regular training as a continuous process and part of municipal activities. Prescription as in World Bank Projects for all major activities, that a small provision must be made and spent on training.

*Problem 3*

Lack of awareness in the officers and staff amongst themselves about the usefulness of training:

*Suggestions*

- (i) Incentives for trained persons.
- (ii) Prescribing qualifications for higher posts on the basis of training.
- (iii) Making it obligatory to have some attachments in better organised working situations before taking up higher posts and compulsory orientation programmes for senior officials before

taking up new assignments. Organising workshops, seminars, meetings, suggesting schemes for creating awareness about need for improving their own performance, enabling them to derive real job-satisfaction and 'joy of work' and potential of further opportunities.

- (iv) Linking promotions or rewards with effective performance on the job.

#### *Problem 4*

Difficulties in sparing people for training especially in small size municipal governments and also due to lack of availability of substitutes in most cases and in some cases due to vested local interests:

#### *Suggestions*

- (i) Developing state cadres of municipal employees ensuring adequate staff strengths to make available substitutes for all municipal governments as also transferability and promotional opportunities to the staff for minimising too much of links.
- (ii) Prescribing incentives and/or punishments for better or lack of performance.
- (iii) Proper housing and other amenities will also be needed if the transferability and caderisation are introduced.
- (iv) The period of training will also influence the question of sparing staff for training and the period must therefore be minimal.
- (v) Organising in-house part-time or full-time training programmes for various functional categories and Problem Solving Sessions with the help of professional training institutes.
- (vi) Organising programmes at the place of working or a nearby place for functional groups called "Organisational Development Programmes" with 2-3 hours "on the table discussions/presentations and in the field/site studies" for 2-3 hours. This ensures good rapport between the staff and the expert trainers and ensures demonstration effect for more lasting impact and understanding of the issues, whether it is road construction or assessment of buildings or other tax administration or social welfare programmes or even accounts, etc.

#### *Problem 5*

**Increasing effectiveness of training :**

#### *Suggestions*

- (i) Regular training for trainers.
- (ii) Arrangements for evaluation and feedback of training

programmes from participants and their sponsors or supervisors—this is found difficult in most situations but some way out could be found, e.g., sending an expert to meet the participants and supervisors in the case of some higher level or prestigious programmes at least. In other cases questionnaires/letters and occasional meetings when some other work is going on may be useful.

- (iii) Using trained senior officials in higher level institute to train middle and lower level staff in local language at local training sub-centres or in-house training.

#### *Steps to Increase the Impact of Training*

Some suggestions can be made on the basis of experience of conducting several training programmes and discussions with sponsoring agencies for increasing the impact of training:

- (i) Prior assessment of skills and training needs for institutional, organisational, technical, financial, estate management and social/community development and such other aspects of urban management.
- (ii) Adopting more innovative, flexible and realistic policy objectives at local level; deputation; recruitment of essential staff; working practices; and organisational structures which encourage creativity and multi-disciplinary teamwork.
- (iii) Increasing the relevance and quality of training.

#### *Achieving Desired Results in Training*

To ensure that the desired results are achieved following suggestions and steps may be found to be useful:

- More need-based and locally specific training;
- Closer links between the implementing agencies and training institutes through institute's agency liaison officers and staff development/training officers of the implementing agencies;
- Detailed training needs assessment in individual states which control the municipal functioning;
- Preparation of policy, organisational and training recommendations for individual agencies after taking reviews through panels of eminent practitioners;
- Organising attitudinal training, concerned with policy, organisation and management through training institutes, for senior officials, and increasingly organising technical training within the municipal government where multiplier effect could be greater;
- Training institutes offering organisational development training in

the municipal government itself thus going out to help the municipal government for training of middle and lower level staff at the workplace and also making a closer interaction between the trainers and trainees in the work-environment so as to make it more practical and more effective, at the same time economical.

#### *Increasing the Scale of Training*

For increasing the scale of training following suggestions/steps may be considered:

- Repeating existing courses more often and locally;
- Organising more part-time courses with experienced faculty;
- Initially concentrating on courses for training of trainers and then training the staff through such trained trainers in local language in turn;
- Developing and disseminating training material for in-house courses and self training.

#### *Strengthening the Organisational Base of Training*

Following suggestions are made:

- Developing state based institutions and in the case of large bodies their own local situation based institutions;
- Increasing coordination between training institutions and between the other institutes and municipal governments within the region or areas of sectoral expertise by networking, and exchange of information and personnel;
- Organising conferences, workshops and promoting exchange of information and ideas as also reviews and experience sharing.

#### *Central Level Coordination*

- It may be considered whether it may be necessary to assign the central coordination role to a national lev.I institution as part of the nationwide network of training institutes which will also maintain the international linkages and transfer of that experience to the Institutes in the national networks;
- This coordinating level Institute can also undertake the task of preparing a wide rage of training material for use by all those needing it;
- The necessary Operational Research and its dissemination can also be undertaken by this body;
- The Institute can also do the work of necessary lobbying as an influential group in the field about the contribution of training to the improvement of the functioning bodies like the municipal governments and other bodies;

- The Institute can also run programmes on its own to show the model programmes and for demonstration effect as also taking up higher level policy training and research and some other work not carried out elsewhere;
- The Institute can also act as a Resource Centre with a large number of experienced staff and professionals who can help all other interested bodies;
- The Institute can organise seminars and conferences on topics of regional, national and international importance in the interest of promoting the cause of municipal government and its performance.

Based on the above sets of details, a suitable action plan consisting of a series of steps will have to be initiated in all the countries and at the international level. A committee at the international level can supervise and coordinate the activities.

#### CONCLUDING REMARKS

This presentation has attempted to provide the wider perspective of training and developing skills for urban management from the need of training in rapid growth and a variety of situations to the approaches, the objectives, the contents, the arrangements, the problems that will have to be sorted out and how the effectiveness, scale and impact can be increased, etc. A detailed discussion and sharing of experiences on various aspects presented will be very helpful in stepping up the training activity. The international concern and assistance where needed will be very useful. □

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## *Training for Municipal Staff—A Late Starter in the Race*

MULKH RAJ

### A NEW CHALLENGE

**I**N INDIA today, municipal bodies are being asked to take up additional roles. The latest ones are urban employment through shelter-upgradation and Nehru Rojgar Yojna on the other hand. It is also realised that low quality of services at city level is due to neglect of municipal governments and our inability to finance adequate number of projects catering to the welfare of city in general.

As a result, in the months to come, we shall hear more about the need for municipal dynamism and higher role for local authorities in delivery of urban services. The 'mother institution' in the city shall be in the focus. This outsider institution in urban planning is now back at the dinner party.

Look at the map of the urban administration in India, municipalities are at the periphery. The cities are being managed as per micro objectives of specialised institutions.

However, 1990s are going to be different. The role of non-participative, non-representative institutions such as Development Authorities Improvement Trusts, etc., seems to be over. The implementation of new ideas have to be through the municipal bodies, be it urban employment, urban shelter upgrading, urban poverty or urban basic services.

The question in this regard that of overriding importance is, whether municipalities are ready for this change. The research output on the subject of strengthening of municipal governments is niggardly. Academics have spent too little time in suggesting prototypes of municipal government which works in the true letter and spirit of its role as 'city care' institution.

Many books and professional articles have appeared on the 'form' of municipal government, municipal finance, municipal status, municipal policies and so on. But very little attention has been paid to the question of city administration. Who has to lay down, accomplish and monitor

targetted improvements in quatity of life ? Who has to find resources to finance efforts to improve or prevent deterioration in quality of city life.

Non-municipal governments, once thought of as a solution to city problems, have emerged as expensive operational institutional models. At the same time, these institutions are manned by a kind of professional arrogance; with ideas not in line with what the poor people desire and what the local economy can afford. We have come back a full circle and are back to 1920s, 30s and 40s when demand for local self-government was intense. The revival of municipal government will represent a big change, in the management structure of cities.

On the one hand, this change shall herald the constitutional recognition of the status of municipal government, and on the other, call for improvement in the performance of the municipal staff. It will require a bold vision.

Also it provokes scepticism from those convinced of the inability of the municipal staff, municipal procedures and municipal management to come up to expected levels of performance. The onset of municipal supremacy shall also unleash backlash from non-municipal institutions at local level. The environment needs both sobering down as well as improvement.

The hope that the municipal government can live up to these expectations shall depend on as to how we manage the existing capabilities of the municipal staff. It will also depend on our ability to recompose the skills available at the municipal level and improving the scale of government funding to meet the training and retraining requirements of municipal staff. This inturn shall depend upon our ability to formulate job related roles, funding of resources on long-term basis to finance perspective programmes of training in municipalities, to get adequate response in nominating staff and last but not the least to promote amongst staff, self-respect and dignity of working for a municipality.

#### REASONS FOR OPTIMISM

The following are some reasons for optimism that we shall be able to meet this new change. First, the government has realised the importance of municipal government and its role as a 'City Care' institution. Second, new resources are being dovetailed with municipal finances to augment urban employment potential. The municipalities are assuming a new role as identifying as well as canalising institution for transfer of subsidies to individual beneficiaries. Lastly, the attempts are being made by the Ministry of Urban Development, Government of India to identify training needs of the municipal staff to not only carry out effectively the existing responsibilities but also acquire new capabilities to assume

additional roles. The Ministry is also trying to work out a wider network of training institutions than those engaged at present at Bombay, Hyderabad, Delhi, Lucknow, etc., Municipal institutions may get financial support to help impart training to staff and the training institutions to get more scope and funds to tailor government funded training to the municipal needs. Local cooperation may also limit the poaching of skilled staff away from municipalities.

#### FUNDING FOR TRAINING

Municipalities today are in a bad shape. Apart from the declining share of municipal bodies in total tax revenues (from eight per cent in 1960-61 to 3.4 per cent in 1986-87) the average municipal income is just Rs. 13 per capita per month. In some municipalities the corresponding figure is little over Rs. eight. The state governments are quite niggardly in transfer of resources. They transfer no more than 1.85 per cent of states' revenues to their municipalities and with such meagre resources one can never hope that the municipal governments shall be able to emerge as 'city care' institutions. It is just not possible.

It is estimated that municipalities require at least Rs. 13,000 crore, as additional resources to help them do a reasonably good job of their role. Hence, it was ordained on the higher level governments to take the initiative. The response in the past has not been very enthusiastic. But the time has now come to debate on this issue and come up with concrete proposals to convert the emerging vision into reality.

Recent proposals to fund the municipalities emerged out of political awareness towards accord of due status to municipalities. If pursued further and assuming that the support of the state governments will be forthcoming, some long-term arrangements may emerge. If all goes well, a properly thought out strategy for training of municipal staff may also emerge in the coming few months. It would be better if a National Council of Training of Municipal Staff is set up in the Ministry of Urban Development to lay down policies, prepare development plan for training of municipal staff and ensure that any new programme or project announced to benefit the city, has a sizeable human resource development budget. Municipalities should be free to outline a vision as to for which level of staff and in what area is the training required. The higher level governments or the council of training of municipal staff instead of controlling how training is carried out, should switch to monitoring of results. The broader and specific competence that shall get built up in the municipal cadre, will meet some of the fears expressed about the efficiency of this system to deliver results. The performance target for training of municipal staff should be the performance of the municipality in specific sectors, rather than the number of people

trained. It is only then that the funding support in this sector shall look worthwhile.

#### DEFINING AND IDENTIFYING TRAINING

More than one survey has been undertaken in number of states to define as well as identify training needs in municipal sector. From the literature available, it is difficult to precisely understand as to what constitutes a relevant training course. Some responses list broad areas like financial management, information systems, etc. It shall be necessary to define the scope of in-service training in each context and a status paper for every state prepared and debated amongst the organisations that determine demand and supply of training. Institutions which undertake training for municipal staff are busy running training programmes which are dictated/circulated by the sponsoring institutions and as perceived by those as to what constitutes training needs in municipal sector.

What is wrong at the municipal level is the gap between desired and actual performance level of junior staff. Motivation, discipline and dedication are at very low level. A direct result of decades of neglect in respect to their career prospects. Also very little efforts have been made towards their skill upgradation to enable them to go up the hierarchical ladder. Number of junior staff just join to get away from unemployment. Lack of motivation can be directly related to office environment, attitudes and examples of seniors, the rigidity of the organisation and the presence of *ad hocism* in work. Office environment at municipal level leaves much to be desired. Too much of physical separation exists between the senior staff from the junior. Junior staff offices are neglected/seldom taken care of. Wherever some arrangements are made, they are bad in finish as well as furniture. The environment is one of being unwanted and looked after by left over of institutional finance, the level of attention and facilities hardly conducive to motivation.

At middle level are missing the essential leadership attributes and management skills. Whatever they possessed, got lost due to long years of stagnation. If internal environment cannot change, outside perceptions will remain hostile to any augmented importance to municipal institutions.

Leaving aside bigger municipal institutions, the way an executive officer of municipality is looked after leaves much to be desired. The author had the misfortune of meeting some of the executive officers of smaller municipalities with emoluments lower than the attendants in the state secretariats. They lack skills, motivation. The only thing they reinforce day in and day out is the will to survive and coexist with pressure groups—hardly necessary to concretise our vision of higher

performance in the light of larger role for municipalities.

If we can do something to shake off their deeprooted habit of resisting change, we shall have taken the first step towards improvement. Having missed the unique opportunities of playing the key role in city management in the past, municipalities can now at least be graduated successfully to perform their role better. If this happens, the municipal staff will get the necessary motivation and the habit of looking forward to better future for themselves and for the institution in which they work.

The objective is to give more solid and professional character to the existing institutional base for our cities and towns of all sizes, the following steps should be taken: (i) activate organisationally the municipal institutions to upgrade/enhance/improve the operational efficiency of financial, technical, administrative and property management aspects of municipalities, (ii) bring about improvement in the personnel management policies of the municipalities and enable staff members to have access to productivity potential that they are capable of reaching, (iii) promote reapproachment between various departments and with other institution operating at city level, and (iv) develop/improve institutional ties with the state government, etc.

#### TRAINING AUTONOMY

There are uncertainties about the degree of autonomy municipalities shall be given to vary the delivery of training requirements. For too long we have imposed subject areas of training, as these continue to be decided by the sponsoring system providing the financial support. The only freedom the municipalities have is in nominating staff or officers for training. The Central and state governments shall continue to provide the bulk of financial support for training activities. Training programmes established at the initiative of the municipal governments shall remain too small. This arrangement is no more than 'operational handcuffs'.

In contrast, it is necessary to provide long-term commitments of funds to municipalities to have flexibility as well as autonomy. Let them work out long-term arrangements with the local, regional or national level municipal staff training institutes as to what, how much and at which level of cadre, the training support can be requested. The municipalities may like to increase the duration of some programmes, reduce for others, vary grants/incentives to train young or old staff in skills they feel important as well as pertinent. Let municipalities outline their vision, with freedom to make wide changes as much as they like. The funding institutions instead of controlling training should switch to monitoring of results. This shall also help build up capabili-

ties in the municipalities to define their own needs and create pressure at the same time on supply institutions in the field of training. The municipalities shall also need freedom to divert part of 'wage income' subsidies into training. May be it can also be laid down that human resource development is an integral part of every project being implemented. Municipalities if needed should also be able to ask for 'training credits' from higher level governments. These credits can be amortised through higher productivity or higher revenue per municipal staff.

Coupled by political pressure to give more importance to municipal governments, there is likelihood that the municipalities may succeed in their efforts to get their proposals accepted. Whatever may happen, more money will be required and be forthcoming to resurrect lost generations of municipal staff into higher motivation and output by the current generation of employed staff.

#### EXCEPTIONAL EVENTS AND EXCEPTIONAL ANSWERS

The author is neither a confirmed professional academic nor a professional bureaucrat. The above is written after talking to some amongst the couple of thousand delegates attending municipal conferences from time to time. The recent debate on municipalities and the desire to upgrade the capability of municipal staff is an exceptional event and calls for exceptional actions. The recent discussion is also beginning to confirm as to what is needed and what ought to be done. On the one hand, greater interest in city welfare shall rehabilitate the due role of municipalities and, on the other, lead to emergence of a new 'citizenry' in urban India. If the skill deficiencies of the municipal staff are taken care of adequately, we would have heralded the first real integration of Urban Institutions and with municipal government at the apex at city level. In this context the framework of municipal training of 50s or 60s shall be totally unsuitable for 1990s. □

# *Role of Public Agencies in Planning, Funding and Development of Physical Infrastructure with Reference to Water Supply and Sanitation*

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and

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THE NATURE and extent of access to basic requirements of healthy living determine to a large extent the level of societal development. Physical infrastructure and clean residential environment are significant prerequisites of human settlements. Today, almost a third of the total population in India does not have access to safe drinking water. Nearly 250 million Indians depend on untreated and unsafe sources of water. The situation in the sanitation sector has been even worse. Nearly 90 per cent of Indians use methods of human waste disposal which are not at all hygienic. Nearly 10 million people every year suffer from cholera, diahorrea, gastro enteritis, malaria, guineaworm, etc., the cause for which could be directly attributed to lack of physical infrastructure, especially unsafe conditions of water procurement and use and means of human and other waste disposal.

Demographic estimates indicate that India's population is likely to touch the 1000 million mark by the year 2001 AD. This implies that about 300 million people would be added to the present population. Such a situation coupled with existing lack of services poses a problem whose magnitude is of monumental proportions.

The issue of water supply and sanitation presents varied dimensions in human settlement development. On the one hand, there is the problem of increasing population in the country as well as increasing shift of population to urban areas while on the other, a large number of villages continue to suffer from the ill-effects of lack of adequate facilities. The problem, therefore, is acute both in urban as well as rural areas. Further, it is not the question of mere provision of a facility but delivery of a service which can be properly used and maintained.

Thus, the nature and extent of people's access to water supply and sanitation is as important as the crucial interface of this sector with shelter, education, health and economic status between different strata of society, gender and age. It is, therefore, quintessential to recognise the above in order to assess the role of public agencies in planning, funding and development of these services.

#### NATURE AND EXTENT OF ACCESS TO WATER SUPPLY AND SANITARY MEANS OF HUMAN AND OTHER WASTE DISPOSAL IN URBAN AND RURAL AREAS

One of the basic indicators to the situation of water supply availability for drinking and other purposes is the extent of population covered.<sup>1</sup> While in 1981, the urban coverage was 72.3 per cent and rural coverage was 20.8 per cent, the total coverage being 40.5 per cent, by 1985 the urban coverage improved to 72.9 per cent and rural coverage improved to 56.2 per cent, the total coverage rising to 60.2 per cent. The variations in the coverage of urban water supply in different states indicate that nearly half the states have a coverage less than the mean coverage of 72.9 per cent and seven states have a coverage less than 50 per cent. It is only in 13 states that the coverage has recorded an increase. The International Drinking Water Supply and Sanitation<sup>2</sup> Decade<sup>3</sup> (IDWSSD) 1981-1990 aims to secure 90 per cent total coverage by 1990. With the progress in the first half (up to 1985) being only about 20 per cent, (40.5 % to 60.2 %) achieving the Decade goals would be highly improbable. As against the urban areas, the rural scene has, however, witnessed some improvement with the initiation of the National Technology Mission on Drinking Water. Still, out of the 1,61,722 'problem villages' identified<sup>4</sup> in May 1985, only 1,15,134 have been covered, that too not fully. This leaves 46,588 problem villages

<sup>1</sup>Government of India, Ministry of Urban Development, *Mid-Term Review of Water Decade Programme*, Proceedings of the Conference, the Ministry, New Delhi, 16 and 17 October 1985.

<sup>2</sup>The UN Conference on Human Settlements held in June 1976 at Vancouver recommended that safe Water Supply and hygienic waste disposal should receive high priority from Governments and International Agencies to enable Governments to achieve targets of serving the whole population by 1990. The objectives were further reiterated in the UN Water Conference at Mardel Plate, Argentina in 1977. It was further declared that the period 1981-90 be designated as the International Drinking Water Supply and Sanitation Decade (IDWSSD). The Conference recommended closer cooperation between international organisations and increased technical and financial assistance from external, bilateral and multi-lateral agencies. The 31st UN General Assembly approved the recommendations. India has pledged its full support for IDWSSD programme.

<sup>3</sup>Government of India, Ministry of Agriculture, *National Drinking Water Mission*, Department of Rural Development, the Ministry, October 1988.

which are yet to be touched and several thousands which are only partially covered. The estimated problem villages not fully covered has been reported to be 63,000.

In addition to the extent of coverage, the next important indicator is the nature of coverage. The planned new town capitals of Gandhinagar and Chandigarh being exceptions along with Shimla, Bhubaneshwar, Luck now, Calcutta and Delhi where the service level meets the standards, the service level in other cities averages to around 120 lpcd as in 1981. More recent surveys<sup>4</sup> in 1988 indicate no better a situation. A survey of 133 sample Class I towns indicates that while the total designed capacity was 4531 mld, the actual supply was only 3739 mld. The same study further reveals that while the per capita demand was 231 lpcd, the per capita supply was only 142 lpcd. The situation is more worse than these figures reveal since the supply is not uniform within any given urban area. More often than not, the elite residential colonies enjoy a better level of supply than the low income colonies. Many of the slums, squatter settlements and pavement dwellers are totally left out. The exact nature of the level of service in rural areas is not known. While there is no doubt on the premise that safe water is essential, adequacy in quantum is equally important.<sup>5</sup> In the absence of adequate water for maintenance of personal hygiene, the state of health and well being of people, especially the illiterate ruralites is likely to suffer markedly. Where adequate water for clean living habits is not available, the faecal-oral routes for disease transmission get activated and spread harmful diseases. A recent study<sup>6</sup> in Patiala presents a case in point. Although adequate water was available, it was not potable. Studies in Nabha Block of Patiala revealed that nearly half the water sources were unfit for human consumption. Out of 134 samples examined bacteriologically, 40.74 per cent of sample sanitary handpumps, 50 per cent of reasonably sanitary handpumps and 53.97 per cent of insanitary handpumps and all the shallow wells were either suspicious (coliform count 4 to 10 per 100 ml of water) or unsatisfactory (coliform count greater than 10 per 100 ml of water).

The other indicator of the access to water supply is the type of

<sup>4</sup>The National Institute of Urban Affairs, New Delhi has conducted surveys in 133 Class I towns in 20 states of India in 1988. The term Class I towns is classification of towns made by the Census of India according to which a Class I town is one whose population is 1,00,000 and above.

<sup>5</sup>Sandy Cairncross, *The Benefits of Water Supply, Developing World Water*, Grosvenor Press 1987.

<sup>6</sup>R.K. Saigal, et al., "A Study of Potability of Drinking Water in Nabha Block of Patiala District, Punjab", *Indian Journal of Community Medicine*, Vol. XIV No. 1, January-March, 1989.

source and its distance from place of living. Recent data<sup>7</sup> for 44 towns surveyed in 1988 indicate that only 50 per cent of the households surveyed has access to tap connections. The remaining get water from handpumps, wells, ponds, rivers, etc. Access to tap water would mean access to treated and safe water. The other sources may not always yield safe water. The phenomenon of distance to source of water as related to water consumption observed in recent studies<sup>8</sup> in the slum of Hyderabad reveals yet another dimension of water supply provision. It has been observed that where the collection time was less than 10 min., the consumption was high, where the collection time varied from 10 to 30 min., the consumption was medium and did not show any variation but when the collection time increased beyond 30 min., the consumption decreased drastically. If a safe source of drinking water was available at a greater distance, people travelled reluctantly to collect water only for bare necessities. The type of source and distance to source are, therefore, very important considerations.

In the sanitation sector, the current situation could be termed to be more worse than in the water supply sector. While in 1981 only 25.1 per cent of the urban population was covered, the situation improved marginally to 28.4 per cent by 1985.<sup>9</sup> In rural areas, the coverage recorded a marginal increase from 0.5 per cent in 1981 to 0.72 per cent in 1985. The overall situation in the country reflects hardly any improvement from 6.3 per cent in 1981 to 7.3 per cent in 1985. The state-wise variations for urban areas indicate that half of the states have less than 20 per cent coverage which is much less than the mean coverage of 28.4 per cent. Only 10 states recorded an increase in coverage equal to or more than 3.3 per cent which is the increase in the national coverage between 1981 and 1985. The rural sanitation coverage has been worse with only half the number of states being covered. The increase between 1981 and 1985 has been a meagre 0.22 per cent.

The nature of access with reference to the type of facility available is not clearly known as no recent statistics are available. However, broad estimates of the Planning Commission reveal that in urban areas, 20 per cent of the population has access to flush arrangements connected to sewerage system (only seven per cent of these has exclusive use of such facilities), 14 per cent has access to waterborne toilets connected to septic tanks, 33 per cent uses bucket or dry latrines and the remaining

<sup>7</sup>National Institute of Urban Affairs, *Access of Urban Poor to Water Supply*, New Delhi, The Institute, January, 1989.

<sup>8</sup>Council for Social Development, *Hyderabad Slum Improvement Programme—An Evaluation*, New Delhi, The Council, 1985.

<sup>9</sup>Government of India, Ministry of Urban Development, *op. cit.*, 1985.

have no facilities whatsoever. This indicates that a large section of even the urban population use road side berms, open drains and other open spaces for defecation. It also indicates a marked reliance on scavengers for carriage and disposal of night soil.

As far as low-cost sanitation systems are concerned, the states of Bihar, Gujarat, Tamil Nadu, Orissa, West Bengal and some others have made laudable efforts in implementing schemes. The 2-pit waterseal pour-flush latrines are being adopted in other states too with the exception of Punjab, Haryana, Himachal Pradesh, Kerala and the North-Eastern states. Data<sup>10</sup> pertaining to 1985 indicates that with the assistance of Sulabh International, more than 1,50,000 bucket latrines have been converted to pour-flush latrines and more than 200 community toilets on a Pay-and-Use basis have been developed. In addition to toilets with sewerage system, septic tanks and the pour-flush system, majority of the people use traditional methods of human excreta disposal, viz., pit privy, aqua privy, bucket latrine, 'ulta matka', gopuri latrine, 'sopa sanda', etc., which are not hygienic by and large.

We now have to examine the governmental efforts and the role played by various public agencies in the provision of these services. These are discussed in the succeeding section.

#### ROLE OF PUBLIC AGENCIES

Governmental recognition and commitment to solve the water supply and sanitation problem in the country has been far too meagre. Much of what the situation is today could be largely attributed to the lack of appropriate perception of the problem itself. In 40 years of independent India, the whole of the first half had witnessed little innovativeness on the part of the government to perceive the problem in all its dimensions. Till the late sixties, water supply and sanitation programmes were under the Ministry of Health and the programme components reflected a very narrow and unisectoral approach which encompassed only the public health needs. The realisation of the imperative to link up water supply and sanitation programmes to overall town planning and housing schemes on the one hand and community development and economic upliftment on the other had dawned very late. Programmes such as Integrated Urban Development Programme (IUDP) and Integrated Development of Small and Medium Towns (IDSMT) had incorporated water supply and sanitation provision to some extent. Progress was tardy on account of inadequate financial commitment from the Central and state governments, inadequate appraisal of local

<sup>10</sup>E.F.N. Ribeiro, *Improved Sanitation and Environmental Health Conditions*, Patna, Sulabh International, 1985.

situations, inappropriate project formulation and monitoring. Procedural delays and peculiar statutory arrangements in different states were other causes. The Environmental Improvement of Slums (EISs) has been another scheme in which absence of flexibility in expenditures thereby not catering to local needs and the resultant dis interest and financial non-committal of the state governments has afforded little success.

Some degree of success could of course be achieved by certain external agency funded programmes like Urban Basic Services (UBSs) and Urban Community Development (UCD).

It has been only in the 80s that governmental policy has been more responsive. However, the response to its commitment to the resolutions of the IDWSSD 1981-90 had seen mere increase in budgetary allocation from Rs 3,922 crore in the Sixth Plan to Rs. 6,522 crore in the Seventh Plan. The commitment of the government had not gone beyond this. Despite its own admission in the Seventh Plan that "In view of the constraint on resources, it will not be desirable to go in for expensive or sophisticated water supply and sanitation services, simple and low-cost methods should be preferred", the government has done little to put its policy thinking to practice. The revelations of the mid-term decade review were no wonder, in light of the half-hearted, unimaginative and loosely coordinated efforts of the government. The National Technology Mission initiated recently appears to have made substantive changes in the rural water supply coverage. The main objectives of the Mission have been: (a) to adopt scientific source finding and development, (b) water harvesting and conservation, (c) application of science and technology for generating cost-effective long-term solutions to predominant problems associated with rural water supply, and (d) to computerise management information systems for collection of data, analysis, monitoring and evaluation. However, as mentioned earlier, the Mission has not been able to achieve its targets for various reasons. The rural water supply continues to be developed as an exploitative delivery system. The demand for vigorous pursual of integrated approaches rather than narrow sectoral approaches concerning few disciplines needs urgent exploration. Massive social awareness campaigns for people and curricula reorientation and training for professionals have yet to find recognition and application.

The shelter-water interface has different connotations in urban and rural areas. Shelter in cities is of various types and is popularly classified under different housing sub-systems. The typical Indian city presents housing sub-systems such as the inner city, development authority housing, housing board colonies, private developer colonies, employee housing, unauthorised housing colonies, squatters, etc., each of which is an emergence of a certain set of conditions. In the case of public

agency housing schemes, the colonies are planned and provided by the development authority or housing board and the water lines, sewer lines, storage tanks, pumping stations, treatment works, etc., are provided by the Public Health Engineering or Public Works Department. Usually, all the costs except those of treatment works are included in the project costs. The project costs include cost of land acquisition, land development and infrastructure provision. Recovery is done by way of sale of plots, shops, etc. The price which a person pays for a plot thus includes infrastructure costs too. The public housing agency recovers the costs incurred and transfers the infrastructure costs to the Public Health Engineering or Public Works Department. Thus, people who have the capacity to purchase a plot gain access to piped water supply and water connections.

For various reasons, public housing agencies have not been able to meet the housing demand and this has led to the emergence of what are popularly termed as unauthorised colonies and uncontrolled settlements. These are illegal land sub-divisions where conversion of agricultural land to residential uses occurs. Here, the developer does not provide sewerage and other facilities which require a lot of money and organisational skill. On account of the acute demand for shelter, unserviced plots get sold and housing colonies get consolidated. In such settlements, raw sewage is let off into open drains along the road side. On account of the illegal nature of the settlement, the houses that emerge almost overnight in a haphazard manner pose severe problems. In several such colonies where the plot sizes are very small, the houses are built right up to the front boundary and the toilets are located on roof slab projections on the first floor which only require a straight pipe length from the toilets to the open drain on the street. The situations in squatter settlements is equally bad. These settlements usually come up on land owned by the government and are, therefore, illegal. Both the cases, unauthorised colonies as well as squatter settlements, by virtue of their illegality, do not command the attention of the government. In fact, difficulties in procuring funds give the local officials all the more reason to ignore such developments. People in these areas have to, therefore, depend largely on bore wells and hand pumps for water needs and open drains for sewage disposal, hygienic conditions of all of which are highly suspect.

The arguments presented above are likely to deliver the impression that all is well in public housing schemes. However, the actual situation is far from it. Soon after all the plots in the colonies are allotted, the houses do not come up. Usually there are many plot holders who wish to hold on to the plot of land to speculate on it at a later date. invariably, these schemes are on the outskirts of the city and people would not tend to move immediately. Full consolidation of the colony usually takes five

to 10 years and till such time the networks remain unutilised. Choking of sewers and resultant high maintenance costs for pumping are a common feature in the initial periods. The other problem is the exorbitant cost of sewage treatment plants. Although initially in many cases the plans for adequate capacity sewage treatment plants are drawn up but in reality due to heavy costs these are omitted and the sewage is made to flow through the existing plants of already inadequate capacity or by providing only rudimentary preliminary treatment of settling tanks. Often even such inadequate efforts are not attempted and raw sewage is made to flow for Sewage Farming. One can, thus, observe the nature of complexities of the situation. However, access to formal housing developments by large does ensure reasonably good access to water supply in terms of individual piped connections and equally good access to sanitary means of human waste disposal when compared to other housing options.

If this be so, the next question would be to see as to how many people have access to various housing options. Data<sup>11</sup> related to 1986-87 indicate that more than 75 per cent of the households have a monthly income of less than Rs. 1,500. Present cost of housing construction and land reveals that in urban areas while the lowest 30 per cent of the households cannot afford even a piece of land, the next 45 per cent can afford a piece of land but not an affordable shelter of a reasonable quality. Thus, while the rich enjoy access to decent shelter and basic services, the poor have to content themselves with whatever little they can manage. The situation in the rural areas assumes a different connotation. While conditions of urban society demand every house to have a tap connection and individual latrines, the conditions in rural India do not make such demands. The provision of a community tap or hand pump would call for little inhibition on the part of the people to secure water from a common source. In several public housing projects in rural areas, continued adherence to the approach of the nature of linkage between shelter and sanitation in urban areas and its mindless propagation in rural areas has led to under utilisation or non-utilisation of sanitation facilities. In most of the cases, the toilets are used for storage purpose and people continue to defecate in open fields. While provision of individual tap connections or individual toilets may not be necessary in rural areas, provisions to meet these needs at a community level require location close to the houses.

Unquestionably, the most challenging of the developmental problems facing the country today is that of poverty. The manifestation of poverty in urban areas are many. Most discernible amongst these are the expo-

<sup>11</sup>Government of India, *Report of the National Commission on Urbanisation*, Vol. II, New Delhi, Ministry of Urban Development, August, 1988.

nential growth and proliferation of informal sector economic activities and the visible slum conditions. The high degree of deprivation is mirrored in the casualisation and under-development of labour. Deprivation is further exacerbated in educational and health contingencies. These coupled with an ever growing pressure on civic services, seems to lead towards the emergence of a growing sense of hopelessness. According to studies conducted by the NIUA, 70 per cent of the poor people live in 'kutcha' houses. The growing prices of land and shelter leave the poor to squat along drainage canals, marginal lands, swamps, unused government land, etc. They have little choice but to use cheap scrap material like tin sheets, used cardboard, gunny bags, cheap waste wooden planks, etc. It is needless to say that civic amenities are far from their reach. The millions of slum dwellers rely for their water on open wells, community stand pipes or handpumps. While wells are likely to be contaminated by underground seepage, the other sources likewise pose health hazards. The methods of water collection by plastic buckets, jars and tins on the heads of the users result in contamination. The problem is perceived differently by slum dwellers on the one hand and municipal officials on the other. For the municipal official and the town planner, a slum poses a serious threat to the image of the city. Total removal or clearance and relocation of the slum area or providing a few handpumps or taps are the two often adopted solutions. For the residents, living in slums is a personal discomfort and social stigma. However, in spite of the poor conditions, residence in a slum offers an economic solution to survival to the slum dweller. The marginal income generating activities of the informal economy setting and the characteristically close social ties afford income generating opportunities in abundance. Nevertheless, scarcity of water poses a serious problem of maintaining a clean environment even if the people can afford to do so. The nature of discomforts include inability to have regular baths, wash clothes and clean the house, all of which have a direct impact on the health and well-being of the people. Women and children continue to be the disadvantaged. The women is the 'water hauler' and she suffers most. Long queues at inappropriately located community stand posts are a common sight.

Demographic estimates<sup>12</sup> indicate that in the year 1981, the total number of households were 124.8 million while the housing stock was only 101.5 million. This indicates a housing gap of 23.3 million (including urban and rural) the projected figures which take into account

<sup>12</sup>National Building Organisation, *Housing Needs*, New Delhi, the Organisation, August, 1988. Housing gap is calculated as the difference in the number of acceptable dwelling units and the number of households. Dilapidation of houses is incorporated. Unacceptable houses (squatters, huts, etc.) are counted as houseless.

the current and future likely rate of shelter augmentation indicate that the gap would grow to 31 million by 1991 and 41 million by 2001. Of the current housing need (shortage) of 23.3 million, 15.1 million constitutes the shelterless and economically weaker section households and 7.5 million low income group households which means more than 90 per cent of the households are in the category which have very low affordability. In the light of such a situation of access to shelter, the provision of water supply and sanitation to such population poses a great challenge.

#### POSSIBLE GOVERNMENTAL RESPONSES FOR THE FUTURE

One of the main reasons which the public agencies offer for the tardy progress in the water supply and sanitation sector is the lack of adequate funds. On the one hand, the government admits its inability to make more budgetary allocations, stressing the need to adopt low-cost methods while on the other, continues to adopt costly conventional sewerage systems. In a large country like India with variations galore, a 'one shot' solution would be hard to come by. We have to look in all directions and incorporate such systems as are specific to particular situations. The opposition attracted by various sectors has largely been on account of the misconceptions attached to applicability. What may be appropriate in one situation may not be in another. The search for universal solutions would only end in vain. The current situation in this sector demands arriving to terms with several solutions and treading on a multi-dimensional and multi-sectoral path.

The philosophy of housing, town planning and urban development in India continues to be based on western modes of urban thought. The visibly discernible presence of "rural poor in urban areas" and near total absence of "urban services in rural areas" has been a direct offshoot of the nurturing of a philosophy that is alien to our traditional socio-cultural paradigms. Town planning has almost assumed an attitude of nonchalance to our social and cultural ethos. Domination of the field by conventionally educated architects, engineers and town planners has inhibited the visualisation and facilitation of physical conditions for greater economic growth and social development. Most of the public agency professionals are largely ignorant of the technological need of the hour. The crucial task of undertaking schemes which aim not at mere provision of a facility or service but at motivating and involving the people to participate in a programme, accept and adopt technological answers calls for a radical change in technological initiation by re-educating the professionals and sensitising them to the socio-cultural aspects. The same applies to the administrators too. On the one hand of the human resource spectrum are the professionals and administrators while

on the other, there is a vast magnitude of end users whose potential remains unexploited. One of the significant advantages of low cost sanitation systems is their simplicity which affords the people to develop the system for themselves. People have to made aware of the possibilities of new technologies and harnessing women's participation. When people participate, they learn a lot and disseminate knowledge to others. Mobilisation of local leaders and taking into confidence local politicians are essential.

Financial constraints have been known to be a major impediment to the progress of water supply and sanitation schemes. Low-cost technology and stoppage of leaks could go a long way. In tapping the human resource potential, financial resources from the people could be mobilised. We can no longer afford to adhere to the standards of development as in the west and strive to achieve individual tap connections and sewer connections. The capital costs could easily be recovered from the people since the per head cost would be around Rs. 300 for achieving the decade goals. Water tariffs today are ridiculously low. Water being a fundamental necessity for living, people would be most willing to pay for the water they consume. There is an urgent need to reorient water tariffs and the overall municipal tax structure. In a political economy of socialist democracy, unless the rich are made to subsidise the poor, the money may never be available to fulfil our goals. The government could initiate steps to deduct small amounts from the public and private sector employees' salaries so as to allow the public agencies to provide better water supply and sanitation. The amount required per head being quite small, it would receive little opposition from the public for a better water supply system in return.

Private provision of public services has been an issue debated upon in several quarters on a global scale. Water needs of many industries and townships the world over are taken care of by private companies. Modalities need to be worked out in the Indian context to appraise the feasibility of such an alternative.

In the planning, funding and development of water supply and sanitation projects, public agencies should assess the people's needs, demographic trends, socio-economic trends and income distribution of the population. An appraisal of the existing status of the local situations where projects are likely to be implemented is needed. Understanding the distribution of responsibilities among the various governmental agencies at different levels of administration and their appropriate reorientation is essential. In the case of planning, designing and development of specific shelter projects, the objectives of the public agencies should be to: (a) identify and establish those options for each utility component of water supply and sanitation which satisfy the overall project objectives, (b) to carry out preliminary planning and design

for each option, and (c) to select that option or combination of options which best fulfil the overall project goals. With specific reference to low-income shelter projects, the options would be restricted by various considerations, the principal being the costs since these components account for a significant proportion of the total project costs. Community wells, if technically feasible, form a socially acceptable and cheap option which can cater to several households. However, water quality has to be ensured, the possibility of contamination being high, depending on geology and depth of water table. Often, there exist natural water courses or ponds close to residential areas, especially in rural areas. These could be appropriately utilised by proper channelisation and embankments to serve the local needs of the people. Community storage tanks and public standpipes also form a cheap option. However, the risk of water leakage/wastage is high. Handpumps provide an on-spot source of water supply. Again, proper ground testing for a perennial and potable source and proper equipment are needed. Individual taps should be provided only where the costs can be recovered. For human excreta disposal, the 2-pit water seal pour flush latrine emerges as the most economical and environmentally hygienic option. However, it has to be carefully adopted since possibilities of underground leaching of pits and contamination are high. Wherever possible, community toilets on Pay and Use basis need to be propagated. Studies on this subject at the Council for Social Development, New Delhi, reveal that this option offers great potential and wide replicability if properly located from both spatial as well as engineering point of view and regularly maintained. Reorientation of current approaches is imperative to effectuate any improvement in the water supply and sanitation sector. An appropriate strategy and plan of action to this extent supported by political will, strong commitment and concerted efforts would definitely help in tilting the present situation towards the better.



# *The Constitution (Sixty-Fifth Amendment) Bill, 1989*

A Bill further to amend the Constitution of India

Be it enacted by Parliament in the Fortieth Year of the Republic of India as follows:

## *Short Title and Commencement*

1. (1) This Act may be called the Constitution (Sixty-third Amendment) Act, 1989.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

## *Insertion of New Chapters II to V*

2. In Part IX of the Constitution, after Chapter I, the following Chapters shall be inserted, namely:

### CHAPTER II—NAGAR PANCHAYATS

#### *Constitution, etc., of Nagar Panchayats*

243N. (1) There shall be constituted in every State a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area, in accordance with the provisions of this Part.

(2) The Governor of a State may, having regard to the density of population, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification an area with a population of about ten thousand or more but less than twenty thousand, to be a transitional area for the purposes of clause (1).

(3) Notwithstanding anything in clauses (1) and (2), the Governor may, by order, declare that any town committee, town area committee, notified area committee or any other similar body (by whatever name called) existing immediately before the commencement of the Constitu-

tion (Sixty-third Amendment) Act, 1989, in relation to an area having a population of less than ten thousand, shall be deemed to be a Nagar Panchayat for the purposes of this Part.

(4) The Legislature of a State may, by law, endow the Nagar Panchayats with such powers, authority and responsibilities referred to in article 243E and article 243U as may be specified in such law.

### CHAPTER III—MUNICIPALITIES

#### *Definitions*

243-O. In this Part, unless the context otherwise requires:

- (a) “Metropolitan area” means one or more contiguous agglomerations having a population of about 20 lakh or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other adjoining areas, specified by the Governor of a State by public notification to be a Metropolitan area for the purposes of this Part;
- (b) “Municipal area” means the territorial area of a Municipality;
- (c) ‘Municipal’, that is to say, Nagarpalika, means an institution (by whatever name called) of self-government for the urban areas constituted in accordance with the provisions of article 243P, and includes a Nagar Panchayat.

#### *Constitution of Municipalities*

243P. (1) There shall be constituted in every State, in accordance with the provisions of this Part.

- (a) a Municipal Council for an urban area having a population of about twenty thousand or more but less than three lakh;
- (b) a Municipal Corporation for an urban area having a population of about three lakh or more.

(2) Notwithstanding anything in clause (1), the Governor of a State may, by order, declare that every Municipal Corporation existing immediately before the commencement of the Constitution (Sixty-third Amendment) Act, 1989, in relation to an area having a population of less than three lakh, shall be deemed to be a Municipal Corporation for the purposes of this Part.

(3) The Legislature of a State may, by law, notwithstanding anything in clause (1) and in clause (2) of article 243N, provide for the constitution of—

- (a) a Nagar Panchayat for a transitional area having a population of less than ten thousand but not less than five thousand;
- (b) a Municipal Council for an urban area having a population of less than twenty thousand but not less than ten thousand; and
- (c) a Municipal Corporation for an urban area having a population of less than three lakh but not less than twenty thousand in the capital of a State,

where such area is in an island or a hilly or a desert terrain.

*Composition of Municipalities*

243Q. (1) Subject to the provisions of this Part, the Legislature of a State may, by law, make provision with respect to the composition of Municipalities.

(2) Save as provided in clauses (3), (4) and (5), all the seats in a Municipality shall be filled by persons chosen by direct election from territorial constituencies in the Municipal area and, for this purpose, each Municipal area shall be divided into territorial constituencies to be known as wards.

(3) Where Wards Committees are constituted within the territorial area of a Municipal Council under article 243R the Chairpersons of all such Wards Committees shall also be members of that Municipal Council.

(4) Where Zonal Committees are constituted within the territorial area of a Municipal Corporation under article 243S, the Chairpersons of all such Zonal Committees shall also be members of that Corporation.

(5) The Legislature of a State may, by law, provide for the representation, in a Municipality, of persons having special knowledge or experience of Municipal administration in such manner and subject to such conditions as may be specified in such law:

Provided that such persons shall not have the right to vote in the meetings of the Municipality.

(6) The Chairperson of a Municipality shall be elected by, and from amongst, the elected members thereof.

(7) No resolution by a Municipality for removing the Chairperson of the Municipality from the office of the Chairperson shall be valid and effective unless such resolution has been passed by a majority of the total number of the elected members of the Municipality and by a majority of not less than two-thirds of such members present and voting.

*Constitution and Composition of Wards Committees*

243R. (1) There shall be constituted in every State, in accordance with the provisions of this Part, Wards Committees (by whatever name called) within the territorial area of a Municipality having a population of one lakh or more.

(2) The Legislature of a State may, by law, make provision with respect to—

- (a) the composition and the territorial area of a Wards Committee:
  - Provided that the territorial area of a Wards Committee shall,—
    - (i) in the case of a Municipal Council, comprises two or more wards; and
    - (ii) in the case of a Municipal Corporation, comprises one or more wards; and
- (b) the manner in which the seats in a Wards Committee shall be filled by persons chosen by direct election from the territorial area of the Wards Committee.

(3) Notwithstanding anything in clause (1), Wards Committees may not be constituted within the territorial area of a Municipal Corporation referred to in clause (2) of article 243P.

(4) Every member representing a ward in a Municipal area comprised within the territorial area of a Wards Committee shall be a member of that Committee.

(5) The Chairperson of a Wards Committee shall be elected by, and from amongst, the members thereof.

#### *Constitution and Composition of Zonal Committees*

243S. (1) There shall be constituted in every State, in accordance with the provisions of this Part, at a level between the Wards Committees and the Municipal Corporation, Zonal Committees (by whatever name called) within the territorial area of a Municipal Corporation.

(2) The Legislature of a State may, by law, make provision with respect to the territorial area of a Zonal Committee.

(3) Notwithstanding anything in clause (1), Zonal Committees may not be constituted within the territorial area of a Municipal Corporation referred to in clause (2) of article 243P.

(4) The Chairpersons of all the Wards Committees comprised within the territorial area of a Zonal Committee shall be members of that Committee.

(5) The Chairperson of a Zonal Committee shall be elected by, and from amongst, the members thereof.

#### *Application of Certain Articles of Chapter I to Municipalities, etc.*

243T. (1) The provisions of articles 243C, 243D, 243H, 243 I, 243J and 243K shall, so far as may be, apply in relation to Municipalities and Wards Committees as they apply in relation to Panchayats.

(2) The provisions of article 243C shall, so far as may be, apply in

relation to the Committees constituted under article 243Y and article 243Z as they apply in relation to Panchayats:

Provided that the reservation of seats in such Committees shall be determined with reference to the district as a whole and not separately with reference to the Panchayats and Municipalities.

(3) The provisions of article 243F shall, so far as may be, apply in relation to Municipalities as they apply in relation to Panchayats.

(4) The provisions of articles 243H and 243K shall, so far as may be, apply in relation to Zonal Committees as they apply in relation to Panchayats.

*Powers, Authority and Responsibilities of Municipalities, etc.*

243U. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

- (a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to—
  - (i) the preparation of plans for economic development and social justice;
  - (ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;
- (b) the Wards Committees or, as the case may be, the Zonal Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

*Finance Commission*

243V. (1) The Finance Commission referred to in clause (2) shall review the financial position of the Municipalities and make recommendations to the Governor as to—

- (a) the principles which should govern—
  - (i) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Municipalities;
  - (ii) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees which are to be, or may be, divided between them under this Part and the allocation between the Municipalities of their respective shares of such proceeds;

- (iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the State;
  - (b) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Municipalities.
- (2) The Finance Commission constituted under article 243G shall be the Finance Commission for the purposes of clause (1).

(3) The Governor shall cause every recommendation made by the Finance Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State.

*Chapters II to V not to Apply to Certain Areas*

243W. (1) Nothing in Chapters II to V shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

(2) Notwithstanding anything in this Constitution, the Governor of a State may, in his discretion and subject to such exceptions and modifications as he may specify, by public notification, extend Chapters II to V to the Scheduled Areas referred to in clause (1), or the tribal areas referred to in clause (2), of article 244, comprised within that State.

*Continuance of Existing Laws and Municipalities, etc.*

243X. Notwithstanding anything in this Part, any provision of any law relating to Municipalities, Wards Committees and Zonal Committees in force immediately before the commencement of the Constitution (Sixty-third Amendment) Act, 1989, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or, until the expiration of one year from such commencement, whichever is earlier:

Provided that all the Municipalities, Wards Committees and Zonal Committees existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State.

## CHAPTER IV—PLANNING

*District Planning*

243Y. (1) Subject to the provisions of clause (2), the Governor of a State shall by public notification constitute a Committee in every Panchayat at the district level, to consolidate the plans prepared by the

Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

(2) The Committee shall consist of such number of persons not exceeding twenty-one as the Governor may, by order, specify and the members of the Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and the Municipalities in the district in proportion to the ratio between the population of the Panchayat at the district level and of the Municipalities in the district.

(3) The Chairperson of the Panchayat at the district level shall be the Chairperson of the Committee.

(4) The term of office of a member of the Committee shall come to an end as soon as he ceases to be a member of the Panchayat at the district level or, as the case may be, the Municipality from which he was elected.

(5) The Committee shall, in preparing the draft development plan,—

(a) have regard to—

(i) matters of common interest between the Panchayats and the Municipalities, including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(ii) the overall objectives and priorities set by the Government of India and the Government of the State;

(iii) the extent and type of available resources, whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(6) The Chairperson of the Committee shall forward the development plan, as recommended by the Committee, to the Government of the State.

#### *Metropolitan Planning*

243Z. (1) Subject to the provisions of clause (2), the Governor of a State shall by public notification constitute a Committee in every Metropolitan area to prepare a draft development plan for the Metropolitan area as a whole.

(2) The Committee shall consist of such number of persons not exceeding thirty-one as the Governor may, by order, specify, of whom,—

- (a) two-thirds of the members shall be elected by, and from amongst, the elected members of the Municipalities and Chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area; and
- (b) the rest shall be such persons and such representatives of the Government of India and the Government of the State and of such organisations and institutions, as the Governor may in such order specify.

(3) The Chairperson of the Committee shall be appointed by the Governor.

(4) The term of office of an elected member of the Committee shall come to an end as soon as he ceases to be a member of the Municipality or, as the case may be, the Panchayat from which he was elected.

(5) The Committee shall, in preparing the draft development plan,—

(a) have regard to—

- (i) the plans prepared by the Municipalities and the Panchayats in the Metropolitan area;
- (ii) matters of common interest between the Municipalities and the Panchayats, including co-ordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;
- (iii) the overall objectives and priorities set by the Government of India and the Government of the State;
- (iv) the extent and nature of investment likely to be made in the Metropolitan area by agencies of the Government of India and of the Government of the State;
- (v) the extent and type of available resources, whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(6) The Chairperson of the Committee shall forward the development plan as recommended by the Committee, to the Government of the State.

#### CHAPTER V—MISCELLANEOUS

*Elections to Panchayats, Municipalities, etc., to be Held Simultaneously*

243ZA. Elections to the Panchayats, Municipalities and Wards Committees in every State shall be held simultaneously.

*Disqualifications for Membership*

243ZB. (1) A person shall be disqualified for being chosen as, and for being, a member of a Panchayat or Municipality or Wards Committee—

- (a) if he holds any office of profit under the Government of India or the Government of any State, or a Panchayat or Municipality or Wards Committee or Zonal Committee in a State, other than an office declared by the Legislature of the State by law not to disqualify its holder;
- (b) if he is of unsound mind and stands so declared by a competent court;
- (c) if he is an undischarged insolvent;
- (d) if he is not a citizen of India, or has voluntarily acquired the citizenship of a foreign State, or is under any acknowledgment of allegiance or adherence to a foreign State;
- (e) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislature of the State concerned;
- (f) if he is so disqualified by or under any law made by the Legislature of the State.

(2) If any question arises as to whether a member of a Panchayat or Municipality or Wards Committee has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of the Governor and his decision shall be final.

(3) Before giving any decision on any such question, the Governor shall obtain the opinion of the Election Commission and shall act according to such opinion.

*Bar to Interference by Courts in Electoral Matters*

243ZC. Notwithstanding anything in this Constitution,—

- (a) the validity of any law relating to the delimitation of constituencies, or the allotment of seats to such constituencies, made or purporting to be made under article 243J or under article 243T, shall not be called in question in any court;
- (b) no election to any Panchayat or Municipality or Wards Committee shall be called in question except by an election petition presented to such authority and in such manner as may be provided for by or under any law made by the Legislature of a State.

*Addition of Twelfth Schedule*

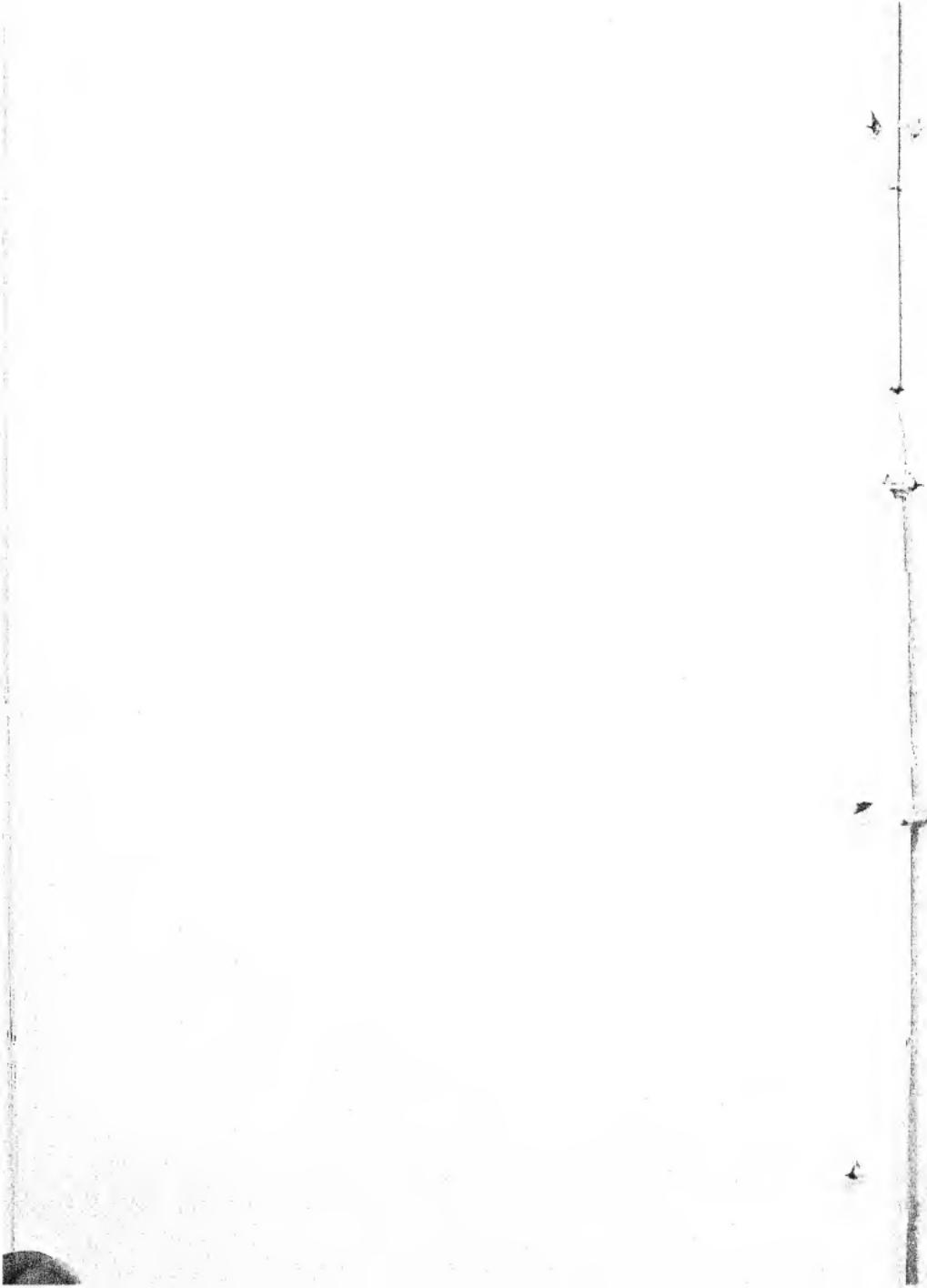
3. After the Eleventh Schedule to the Constitution, the following Schedule shall be added, namely:—

**TWELFTH SCHEDULE**

(Article 243U)

1. Public health.
2. Sanitation, including conservancy services, public conveniences, solid waste collection and disposal and recycling of waste water.
3. Drainage, sewerage and sewage disposal.
4. Hospitals, primary health centres and dispensaries.
5. Veterinary services.
6. Burials and burial grounds; cremations and cremation grounds.
7. Pounds and the prevention of cattle trespass; prevention of cruelty to animals.
8. Vital statistics including registration of births and deaths.
9. Prevention of adulteration of foodstuffs and other goods.
10. Communications, including roads, bridges, ferries, municipal tramways, ropeways and inland waterways.
11. City passenger transport and other vehicles, whether propelled mechanically or otherwise.
12. Maintenance of community assets.
13. Works, lands and buildings vested in or in the possession of the Municipalities.
14. Fire services.
15. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
16. Social welfare, including welfare of the handicapped and mentally retarded.
17. Women and child development.
18. Family welfare.
19. Education, including primary and secondary schools.
20. Technical training and vocational education.
21. Adult and non-formal education.
22. Libraries, museums and other similar institutions.
23. Water supplies for drinking, industrial and commercial purposes.
24. Urban electrification, including distribution of electricity.
25. Non-conventional energy sources.
26. Town planning, including heritage conservation, urban arts and aesthetics.
27. Urban housing.

28. Parks, playgrounds and recreational facilities.
29. Regulation and promotion of land use and buildings.
30. Slum improvement.
31. Urban forestry.
32. Investment, promotion and development of industrial and commercial estates.
33. Urban poverty-alleviation programmes.
34. Public distribution system.
35. Cultural activities.
36. Licensing of theatres and dramatic performances.
37. Pilgrimages.



# *Strengthening Urban Local Bodies : A Select Bibliography*

*Compiled by*  
**SUNITA GULATI**

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